PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF THE NORTHWEST TERRITORIES

FOR THE YEAR ENDED MARCH 31, 2003

SECTION I

CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE JOSEPH L. HANDLEY

Minister of Finance

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104-07339/

THE HONOURABLE GLENNA F. HANSEN
COMMISSIONER OF THE NORTHWEST TERRITORIES

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 27 through 31 of the Northwest Territories Act (Canada), R.S.C. 1985, c. N-22, and Sections 72 through 74 of the Financial Administration Act, S.N.W.T. 1987(1), c. 16, for the fiscal year ended March 31, 2003.

Joseph L. Handley
Minister of Finance

Financial Management Board Secretariat
Yellowknife, NT

July 25, 2003

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Public Accounts of the
Government of the Northwest Territories

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, and related information contained in the Public Accounts, is the responsibility of management through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Where GAAP permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Accountability and Oversight. The recommendations of this committee are reviewed and acted on to improve the financial systems and controls.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the changes in its net financial resources, the results of its operations and its cash flows for the year. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation.

After completion of the audit, the Auditor General includes additional information, comments and recommendations in her annual report to the Legislative Assembly of the Northwest Territories.

Lew Voytilla, FCGA
Comptroller General
Government of the Northwest Territories

July 25, 2003

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Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

I have audited the consolidated statement of financial position of the Government of the Northwest Territories as at March 31, 2003 and the consolidated statements of change in net financial resources, operations and accumulated surplus, and cash flow for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2003 and the results of its operations, the change in its net financial resources, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for governments recommended by the Canadian Institute of Chartered Accountants' Public Sector Accounting Board. As required by the *Northwest Territories Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Government and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Government and of those organizations listed in note 1 that have come to my notice during my audit of these consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Northwest Territories Act*, the *Financial Administration Act* and regulations, and the specific operating authorities disclosed in note 1.

Additional information and comments on the consolidated financial statements and this opinion will be included in my annual report to the Legislative Assembly of the Northwest Territories.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
July 25, 2003

240 Sparks Street, Ottawa, Ontario K1A 0G6

Government of the Northwest Territories

Consolidated Statement of Financial Position

As at March 31, (thousands of dollars)	2003	2002
Financial resources		
Cash	$ -	$ 107,257
Short-term investments (note 3)	41,155	249,691
Due from Canada (note 4)	36,281	-
Accounts receivable (note 5)	59,512	63,957
Inventories and prepaid expenses (note 6)	12,166	13,292
Designated cash and investments (note7)	29,746	34,337
Loans receivable (note 8)	47,143	42,079
Investment in Northwest Territories Power Corporation (note 9)	75,884	72,159
	301,887	**582,772**
Liabilities		
Bank overdraft	2,389	-
Accounts payable and accrued liabilities (note 10)	118,672	133,191
Due to Canada (note 4)	-	175,991
Capital lease obligations (note 11)	24,119	25,375
Long-term debt (note 12)	32,275	32,880
Post employment benefits (note 13)	40,522	38,548
	217,977	405,985
Net financial resources	**$ 83,910**	**$ 176,787**
Non-financial assets		
Tangible capital assets (schedule C)	809,839	743,885
Accumulated surplus	**$ 893,749**	**$ 920,672**

Commitments and contingencies (notes 17 and 18)

Approved:

Joseph L. Handley
Minister of Finance

Lew Voytilla, FCGA
Comptroller General

The accompanying notes and schedules A, B and C are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Change in Net Financial Resources

for the year ended March 31, (thousands of dollars)	2003		2002
	Budget (unaudited)	Actual	Actual
Net financial resources at beginning of year	$ 176,787	$ 176,787	$ 110,940
Items affecting net financial resources:			
Annual surplus (deficit)	4,944	(26,923)	131,131
Net investment in tangible capital assets (Note 15)	(68,400)	(65,954)	(65,284)
Net financial resources at end of year	$ 113,331	$ 83,910	$ 176,787

The accompanying notes and schedules A, B and C are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, (thousands of dollars)	2003		2002
	Budget (unaudited)	Actual	Actual
Revenues (schedule A)	$ 886,200	$ 883,260	$ 993,176
Recoveries of prior years' expenses	3,000	1,971	3,555
	889,200	885,231	996,731
Expenses (schedule B)	891,020	919,879	872,482
Annual operating surplus (deficit)	**(1,820)**	**(34,648)**	**124,249**
Net revenue from investment in Northwest Territories Power Corporation (note 9)	6,764	7,725	6,882
Projects for Canada, Nunavut and others			
Expenses	(45,757)	(53,561)	(47,066)
Recoveries	45,757	53,561	47,066
Annual surplus (deficit)	**$ 4,944**	**(26,923)**	**131,131**
Accumulated surplus, at beginning of the year		920,672	789,541
Accumulated surplus, at end of the year		**$ 893,749**	**$ 920,672**

The accompanying notes and schedules A, B and C are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Cash Flow

for the year ended March 31, (thousands of dollars)	2003	2002
Operating transactions		
Cash received from:		
Canada	$ 194,734	$ 567,339
Taxation	415,264	565,468
Recoveries and general revenue	37,889	38,806
Projects for Canada, Nunavut and others	52,542	37,268
Recovery of costs incurred for related parties	84,474	71,109
Revolving fund sales	48,201	47,632
	833,104	1,327,622
Cash paid for:		
Compensation and benefits	229,232	190,774
Grants and contributions	400,306	359,170
Operations and maintenance	281,042	261,910
Projects for Canada, Nunavut and others	53,561	47,151
Direct costs incurred for related parties	82,698	71,925
	1,046,839	930,930
Cash provided by (used for) operating transactions	**(213,735)**	**396,692**
Capital transactions		
Acquisition of tangible capital assets, net of long-term debt assumed	(115,331)	(110,452)
Disposal of tangible capital assets (net)	3,925	4,254
Capital contributions received and deferred	13,057	13,255
Cash provided by (used for) capital transactions	**(98,349)**	**(92,943)**
Investing transactions		
Short-term investments sold (purchased)	208,536	(188,510)
Designated cash and investments sold (purchased)	2,215	(3,460)
Loans receivable receipts	9,269	9,758
Loans receivable advanced	(19,721)	(14,793)
Dividend from Northwest Territories Power Corporation	4,000	4,000
Cash provided by (used for) investing transactions	**204,299**	**(193,005)**
Financing transactions		
Repayment of capital lease obligations	(1,256)	(1,554)
Repayment of long-term debt	(605)	(493)
Cash provided by (used for) financing transactions	**(1,861)**	**(2,047)**
Increase (decrease) in cash and cash equivalents	**(109,646)**	**108,697**
Cash and cash equivalents at beginning of year	107,257	(1,440)
Cash and cash equivalents at end of year*	**$ (2,389)**	**$ 107,257**

* Cash and cash equivalents are represented by bank overdraft.
The accompanying notes and schedules A, B and C are an integral part of the consolidated financial statements.

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements present summary information and serve as a means for the government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

The following chart lists the organizations comprising the consolidated Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

Fully Consolidated:

Aurora College	*Public Colleges Act*
Northwest Territories Housing Corporation	*Northwest Territories Housing Corporation Act*
Northwest Territories Development Corporation	*Northwest Territories Development Corporation Act*
Northwest Territories Business Credit Corporation	*Northwest Territories Business Credit Corporation Act*

Modified Equity:

Northwest Territories Power Corporation	*Northwest Territories Power Corporation Act*

These organizations have a March 31 fiscal year end except for the college, which has a fiscal year end of June 30. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (note 16) are excluded from the consolidated Government reporting entity.

The following related Government boards and agencies are reflected in these statements only to the extent of the Government's contributions to them:

Divisional Education Councils and District Education Authorities
Hospitals and Regional Health Boards
Local Housing Associations and Authorities

(b) Budget

The consolidated budget figures are the appropriations approved by the Legislative Assembly, and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations. The budget figures shown have not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to employee future benefits, contingencies, revenue accruals, housing mortgages and Students Loan Fund allowances for both forgivable and delinquent mortgages and loans, and amortization expense. Other estimates, such as Canada Health and Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by Canada's Department of Finance and are subject to adjustments in future years. Another significant estimate is the Grant from Canada, which incorporates estimates supplied by Statistics Canada and Canada's Department of Finance. Many of the statistical estimates are not finalized until three to seven years after the year end.

(b) Short-term investments/designated cash and investments

Investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis, dividend income is recognized as it is received and capital gains and losses are recognized as incurred. Unrealized losses on investment portfolios and marketable securities are recognized when it is determined that there is a permanent impairment in the value of the investments.

Investment in securities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end. Foreign currency transactions during the year are translated into Canadian dollars at the exchange rate at the transaction date.

(c) Inventories and prepaid expenses

Inventories for resale consist of bulk fuel, liquor products, arts, and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at replacement cost. Other inventories are valued at the lower of cost, determined on a first in, first out basis and net replacement value.

Prepaid expenses are advance payments made prior to year end to meet April 1 deadlines.

(d) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value.

Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(e) Investment in Northwest Territories Power Corporation

The Northwest Territories Power Corporation (NTPC) is accountable to the government, sells goods and services to the public, can contract in its own name and can maintain itself without government support. Consequently, it is consolidated in these financial statements using the modified equity method. Under this method the Government only reports its investment in and the net revenue of the NTPC. In addition, any amounts receivable or payable from the NTPC are reported.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(g) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds $50,000 and are intended to be used on an ongoing basis for delivering services. Individual assets less than $50,000 are expensed when purchased.

Tangible capital assets are recorded at cost, or where actual cost was not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost shared tangible capital assets from Canada are recorded at their fair market value, upon receipt, with the gifted or cost shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized on straight line basis over their economic life based on the following guidelines:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	40 years
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	20 - 25 years
Computers and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lease term plus renewal option

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. The present value is based on the specified rate or the government's borrowing rate at the time obligation is incurred. Operating leases are charged to expenses. Works of art, historical treasures and crown lands are not recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Post employment benefits

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times (2002 - 2.14 times) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represents the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

(i) Commitments and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual commitments pertain to operating, commercial and residential leases, capital projects and operational funding commitments.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(j) Grant from Canada

The Grant is subject to the terms of the Formula Financing Agreement with Canada. The Grant entitlement is dependent on a number of variables, including population growth, the growth of provincial-local government spending, Government of the Northwest Territories revenues and other federal transfers.

The initial payments of the Grant are based on estimates of these variables, supplied by Statistics Canada, Canada's Department of Finance and the Government. Adjustments are made as final data becomes available which can take between three to seven years. These adjustments can be significant and can affect both current and future years' grant entitlements positively or negatively. Population figures are initially based on Statistics Canada's post-censal estimates, which are adjusted to census data every five years. All known changes to estimates, relating to current year and prior years, are recorded in the current year as revenue adjustments.

(k) Projects for Canada, Nunavut and others

The Government undertakes projects for Canada, Nunavut and others. Where possible, the Government receives accountable advances and any unexpended balances remaining at year end are recorded as current liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxes

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Changes to personal and corporate income tax estimates can have a significant impact on the Grant from Canada.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act* respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Property tax and school levies are assessed on a calendar year basis and are recognized on an accrual basis in the fiscal year in which the calendar year ends.

(m) Other revenues/deferred revenue

Licenses, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis. Funding received for specified purposes is deferred until the related expenses are incurred.

(n) Expenses

Expenses are recorded on an accrual basis. The Government records expenses in the year in which the related goods and services are utilized. Government grants and contributions are accrued as expenses when paid or earlier if the recipient has fulfilled the terms of a contractual agreement.

(o) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals are reported separately from other revenues on the consolidated statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

3. SHORT-TERM INVESTMENTS

Short-term investments represent a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year ended March 31, 2003 varied from 1.00% to 6.10% (2002 - 1.50% to 6.10%). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 5% to 50% of the total portfolio. There is no significant concentration in any one investment. The average term to maturity, as at March 31, 2003, is 44 days (2002 - 30 days).

4. DUE FROM (TO) CANADA

	2003	2002
	(thousands of dollars)	
Grant receivable (repayable)		
Grant per financing agreement	$ 346,409	$ 290,347
Less payments received	(110,402)	(535,493)
	236,007	(245,146)
Balance receivable (repayable) at beginning of year	(218,397)	26,749
	17,610	(218,397)
Other receivables		
Indian and Inuit hospital and medical care	25,470	36,986
Canada Mortgage and Housing Corporation	4,535	2,511
Projects on behalf of Canada	16,323	15,787
Miscellaneous receivables	19,395	13,317
	83,333	**(149,796)**
Other payables		
Excess income tax advanced	(35,004)	(174)
Advances for projects on behalf of Canada	(1,018)	(711)
Miscellaneous payables	(11,030)	(22,459)
Deferred funding for specified purposes	-	(2,851)
	(47,052)	**(26,195)**
	$ 36,281	**$ (175,991)**

The amounts due from (to) Canada are non-interest bearing.

5. ACCOUNTS RECEIVABLE

	2003	2002
	(thousands of dollars)	
General	$ 22,375	$ 25,547
Government of Nunavut	30,590	34,480
Revolving fund sales	3,571	3,632
Accrued interest	382	385
	56,918	64,044
Less: allowance for doubtful accounts	7,091	7,045
	49,827	**56,999**
Receivables from related parties:		
District Education Authorities and Divisional Education Councils	303	1,389
Hospitals and Regional Health Boards	674	1,364
Local Housing Associations and Authorities	653	203
Northwest Territories Power Corporation	8,055	4,002
	9,685	**6,958**
	$ 59,512	**$ 63,957**

6. INVENTORIES AND PREPAID EXPENSES

	2003	2002
	(thousands of dollars)	
Inventories		
Bulk fuels	$ 4,874	$ 6,015
Liquor products	2,191	2,707
Arts and crafts	1,570	1,392
Others	92	130
	8,727	**10,244**
Prepaid operational expenses	**3,439**	**3,048**
	$ 12,166	**$ 13,292**

7. DESIGNATED CASH AND INVESTMENTS

	2003	2002
	(thousands of dollars)	
Investment portfolio:		
Marketable securities (market value $15,665,000; 2002, $11,616,000)	$ 17,382	$ 11,616
Treasury bills (market value approximates cost)	2,050	10,974
Cash and other assets (market value approximates cost)	56	55
	19,488	**22,645**
Students Loan Fund:		
Authorized limit	33,000	33,000
Less: Loans receivable	26,256	24,382
Segregated and designated for new loans	**6,744**	**8,618**
Miscellaneous investments, net of allowance for loss	**3,514**	**3,074**
	$ 29,746	**$ 34,337**

The cash, treasury bills and marketable securities held in the investment portfolio, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance Plan I and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by CIBC Mellon Global Securities Company. Supplementary Retiring Allowance Regulations restrict the investments CIBC Mellon Global Securities Company can make to those listed in the *Pension Benefits Standards Act*.

The average market yield on the portfolio is 3.6% (2002 - 3.2%) with maturity dates ranging from April 2003 to March 2033. The loss on investments, including interest, dividends and gains or losses on disposal was $2,304,000 (2002 gain - $1,728,000)

8. LOANS RECEIVABLE

	2003	2002
	(thousands of dollars)	
Northwest Territories Business Credit Corporation loans to businesses receivable over a maximum of 25 years, bearing fixed interest between 3.50% and 9.75%, net of allowance for doubtful accounts of $7,370,000 (2002 - $6,811,000)	$ 28,521	$ 25,673
Northwest Territories Housing Corporation mortgage and interim financing loans to individuals receivable over a maximum of 25 years, bearing fixed interest between 5.95% and 14.25%, net of allowance for doubtful accounts of $8,005,000 (2002 - $6,781,000)	3,380	3,779
Students Loan Fund loans due in installments to 2015, bearing fixed interest between 1.5% and 12.5%, net of allowance for doubtful accounts and loan remissions of $16,799,000 (2002 - $15,132,000)	9,457	9,251
Loans to municipalities due in installments to 2026, bearing fixed interest between 6.50% and 11.27%	2,713	2,837
Other*	3,072	519
	$ 47,143	**$ 42,079**

The amounts expected to be received in the upcoming year are $16,485,000 (2002 - $13,792,000). Interest earned on loans receivable during the year was $4,004,000 (2002 - $3,909,000).

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of these loans receivable due to the significant valuation allowances provided. The carrying value of the loans receivable should not be seen as the realizable value on immediate settlement of these loans due to the uncertainty associated with such a settlement.

*Other loans receivable includes a loan to Deton'Cho Corporation for $2.6 million repayable in 20 equal installments over ten years and bearing no interest. This loan results from a guarantee the Government made for Deton'Cho Diamonds Inc. that was subsequently called by the bank. Foregone interest, calculated at the Government's long term borrowing rate is recorded as a Grant in Kind. In 2003, foregone interest was $95,000.

9. INVESTMENT IN NORTHWEST TERRITORIES POWER CORPORATION

The following is summarized financial information for Northwest Territories Power Corporation as at March 31, 2003:

	2003	2002
	(thousands of dollars)	
Investment in Northwest Territories Power Corporation Shareholder's Equity, including share capital of $43,129	$ 75,884	$ 72,159
Shareholder's Equity is represented by:		
Assets	262,660	256,381
Liabilities	(186,776)	(184,222)
	$ 75,884	$ 72,159

Statement of Operations and Surplus

For the year ended March 31,	2003	2002
Revenue	$ 67,242	$ 66,002
Expenses	(59,517)	(59,120)
Net revenue	7,725	6,882
Surplus at beginning of the year	29,030	26,148
Dividend	(4,000)	(4,000)
Surplus at end of the year	$ 32,755	$ 29,030

Included in the above are revenues from and expenses to entities in the Government's reporting entity of $18,322,000 (2002 - $14,315,000) and $3,012,000 (2002 - $2,299,000) respectively.

Division of Northwest Territories Power Corporation

The Government's investment in Northwest Territories Power Corporation (NTPC) decreased on April 1, 2001 as a result of the transfer of NTPC's Nunavut operations to the Government of Nunavut. The transfer and the related allocation (estimated) of the Government's investment to Nunavut is subject to arbitration and subsequent ratification by each government. It is not known when the allocation will be finalized. Adjustments to the estimated allocation, if any, will be recorded when known, the same as was done for the original transfer, as a capital transfer of net financial resources and accumulated surplus.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2003	2002
	(thousands of dollars)	
Trade	$ 55,450	$ 54,792
Government of Nunavut	8,587	8,125
Other liabilities, payroll liabilities and contractors' holdbacks	13,863	16,693
Employee vacation pay	13,003	11,699
Provision for equal pay settlement	15,071	33,427
Accrued interest	498	494
Deferred funding for specified purposes	272	922
	106,744	**126,152**
Payable to related parties		
Divisional Education Councils and District Education Authorities	1,201	1,354
Hospitals and Regional Health Boards	8,351	4,725
Local Housing Associations and Authorities	1,388	94
Northwest Territories Power Corporation	988	866
	11,928	**7,039**
	$ 118,672	**$ 133,191**

11. CAPITAL LEASE OBLIGATIONS

	2003	2002
	(thousands of dollars)	
Buildings	$ 24,119	$ 25,375

Interest expense related to capital lease obligations for the year was $2,678,000 (2002 - $2,849,000), at an implied average interest rate of 10.82% (2002 - 10.89%). Capital lease obligations are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2003.

	(thousands of dollars)
2004	$ 3,890
2005	3,890
2006	3,890
2007	3,890
2008	3,890
Beyond 2008	22,912
Total minimum lease payments	42,362
Less: imputed interest (11.5%)	18,243
Present value of minimum lease payments	**$ 24,119**

12. LONG-TERM DEBT

	2003	2002
	(thousands of dollars)	
Northwest Territories Housing Corporation loans due to Canada Mortgage and Housing Corporation, repayable in annual installments of $2,497,000 to the year 2033, bearing fixed interest at a rate of 6.97% (2002 - 6.97%). Fair value is estimated at $27,721,000 (2002 - $27,296,000)	$ 27,225	$ 27,754
Aurora Fund loan maturing 2004, bearing interest at 7%	1,620	1,620
Other	3,430	3,506
	$ 32,275	**$ 32,880**

Principal and interest amounts due in each fiscal year for the next five years:

	Principal	Interest	Total
		(thousands of dollars)	
2004	$ 2,267	$ 2,217	$ 4,484
2005	692	2,059	2,751
2006	739	2,012	2,751
2007	789	1,962	2,751
2008	842	1,912	2,754

The interest paid on long-term debt during the year was $2,470,000 (2002 - $2,096,000).

Debt Authority

Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, has approved the Government borrowing up to $300 million.

	2003	2002
	(thousands of dollars)	
Bank overdraft	**$ 2,389**	$ -
Debt of the consolidated entities		
NWT Power Corporation, long-term debt	93,700	73,700
NWT Housing Corporation, loans payable	27,225	27,754
NWT Energy Corporation, debenture series	23,447	23,721
NWT Power Corporation, operational debt	10,003	28,056
	154,375	**153,231**
Total debt	**156,764**	**153,231**
Authorized borrowing limit	300,000	300,000
Available borrowing capacity	**$ 143,236**	**$ 146,769**

13. POST EMPLOYMENT BENEFITS

	2003	2002
	(thousands of dollars)	
Employee Future Benefits		
Resignation	$ 13,236	$ 13,313
Removal	5,417	5,717
Retirement	2,252	2,206
	20,905	**21,236**
Pension Liabilities		
Legislative Assembly Supplementary Retiring Allowance Plans	17,714	15,713
Judges' Supplemental Pension Plan	1,903	1,599
	19,617	**17,312**
Total	**$ 40,522**	**$ 38,548**

The expected payments due for employee future benefits in the current year are $2,085,000 (2002 - $1,935,000).

The Government maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. Both plans are contributory defined benefit registered pension plans. These two pension plans are fully funded, consequently the Government has no net liabilities as at March 31, 2003 (2002 - nil). The funds related to these plans are administered by independent trust companies. As well there are three supplementary plans known as the Legislative Assembly Supplementary Retiring Allowance Plan I, the Legislative Assembly Supplementary Retiring Allowance Plan II, and the Judges' Supplemental Pension Plan. The Legislative Assembly Supplementary Retiring Allowance Plan II came into force April 2002. These three plans are non-contributory defined benefit pension plans. The Government is liable for all benefits. Benefits provided under all five plans are based on service and/or earnings.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 2000 and April 1, 2001 respectively, using the projected benefit method prorated on service. Actuarial valuations have not been completed for the Legislative Assembly Supplementary Retiring Allowance Plan II. The valuation is based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts. The actuarial valuations were extrapolated to March 31, 2003, if they were not valued at the balance sheet date.

Pension Expense

Pension expense for the Legislative Assembly Retiring Allowance Fund, the Territorial Court Judges' Registered Pension Plan, the Legislative Assembly Supplementary Retiring Allowance, Plans I and II, and Judges' Supplemental Pension Plan for the year totalled $2,964,000 (2002 - $997,000). The Government's contributions to the Public Service Superannuation Plan were $22,016,000 (2002 - $18,002,000). The employees' contributions to the Public Service Superannuation Plan were $10,288,000 (2002 - $8,412,000).

14. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted from or cost shared with Canada. The most significant of these assets are roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset.

	2003	2002
	(thousands of dollars)	
Deferred capital contributions at beginning of year	$ 214,550	$ 213,881
Add: Assets gifted or cost shared during the year	13,057	13,255
Less: Amortization of capital contributions	(12,524)	(12,586)
Deferred capital contributions at end of year	**$ 215,083**	**$ 214,550**

15. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Net investment in tangible capital assets represents the total of tangible capital assets acquired, disposed of, and contributed during the year; net of the annual related amortization charged to operations.

16. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2003	2002
	(thousands of dollars)	
Workers' Compensation Board (Northwest Territories and Nunavut)	$ 263,585	$ 266,646
Public Trustee	2,695	2,497
Natural Resources - capital	188	336
Territorial and Supreme Courts	420	423
Correctional institutions and other	233	442
	$ 267,121	**$ 270,344**

The Workers' Compensation Board (Northwest Territories and Nunavut) has a fiscal year end of December 31. Its most recent financial statements and those of the Public Trustee are reproduced in Section III of the Public Accounts of the Government.

17. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2003:

	Expiry Date	2004	2005-2039	Total
		(thousands of dollars)		
Tangible Capital Asset Acquisition Commitments - projects in progress at March 31, 2003	2005	$ 49,097	$ 10,547	$ 59,644
Operational Commitments	2016	26,218	31,769	57,987
Western Harvesters' Assistance Program	2005	177	71	248
Equipment Leases	2008	942	1,287	2,229
RCMP Policing Agreement	2012	20,108	160,864	180,972
Commercial and Residential Leases	2030	16,536	69,246	85,782
Canada Mortgage and Housing Corporation	2038	3,456	59,907	63,363
		$ 116,534	**$ 333,691**	**$ 450,225**

(a) Canada Mortgage and Housing Corporation (CMHC)

In accordance with a Declaration of Trust Agreement, the Canada Mortgage and Housing Corporation (CMHC) transferred its ownership interest in territorial rental and loan portfolios to the Northwest Territories Housing Corporation (the Corporation), as Trustee. The Corporation assumed full responsibility and liability for the social housing programs related to the portfolios and receives annual funding from CMHC to manage these programs. The Agreement and funding expire in 2038.

A portion of this funding is used to make payments on portfolio-related CMHC mortgages of $63,363,000 (2002 - $66,472,000) maturing between 2004 and 2038, at interest rates ranging from 4.5% to 21.5%. As the related mortgages mature, the Corporation obtains clear title to CMHC's share of the book value of the respective assets. Until clear title is obtained, CMHC is entitled to its respective share of any gains on the disposal of any portfolio assets.

The portfolio assets and mortgages, held in trust, are recorded only as a commitment in these financial statements. CMHC retains the annual mortgage-related funding to make the mortgage payments, and accordingly neither the funding nor the mortgage payments are recorded by the Government. The mortgages, held in trust, are not included as borrowings for the purposes of the debt authority limits described in note 12.

(b) Charge back of services

The Government has 8 (2002 - 14) cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of Nunavut are estimated at $10,698,000 (2002 - $11,500,000) for the fiscal year 2003-2004.

18. CONTINGENCIES

(a) Environmental restoration costs

As circumstances and funding have permitted, the Government has been addressing the problem of environmental liabilities. In a number of departments, this process has consisted of identifying sites of potential liability and remediating the sites as necessary.

The Government has identified 351 sites where environmental liabilities may exist. Of these, 187 sites have been assessed. To date 88 of the 187 sites have been remediated or it has been determined no liability exists. Other assessed sites either have remediation plans in place or, are undergoing further study.

Of the total sites identified, 126 are active fuel caches managed by the Department of Resources, Wildlife and Economic Development that are located a distance from communities. Many of these caches, because of their remoteness and the small number of drums involved (with the potential for only limited local contamination), have not yet been formally assessed. As these sites are re-supplied, each is assessed for liabilities. In addition, the Department currently has 75 inactive fuel caches where there are no drums stored.

In the case of the Petroleum Products Stabilization Fund, 22 tank farm comprehensive site assessments have been completed and it has been confirmed that hydrocarbon contamination is present in varying levels at all sites. Accurate cost estimates will not be possible until the level of contamination and scope of work are more clearly established.

The Government will continue with its program of site inspection, assessment and remediation on an ongoing basis. In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2003 cost estimates of sufficient accuracy are not yet available to predict future costs, if any, of restoration, consequently no liabilities have been accrued.

(b) Guarantees

The Government has guaranteed operating lines of credit for Sirius Diamonds NWT Ltd. to a maximum of $10,000,000 and Arslanian Cutting Works (NWT) Ltd. to a maximum of $9,200,000 subject to terms of the guarantee agreements which may require specific approval for future advances. The current balances of the operating lines of credit are $7,960,000 and $9,050,000 respectively. In addition, the Government has guaranteed residential housing loans to banks totalling $7,201,000 and indemnified Canada Mortgage and Housing for third party loans totalling $40,233,000.

The Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the percentage the Northwest Territories' population is of the Canadian population.

As at March 31, 2003 no claims have been made on these guarantees.

(c) Litigation

More individuals have come forward alleging abuse by a former schoolteacher in Nunavut, formerly part of the Northwest Territories. Pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending this action and any damages that may eventually be awarded will be shared by the two Governments 56.66% and 44.34% respectively. An estimate of the loss arising from these suits, if any, cannot be determined at this time.

A claim related to the construction of the hydro system on the Taltson River has been filed against the Government, the Northwest Territories Power Corporation and the Government of Canada. It is anticipated that no significant loss will result from this claim.

18. CONTINGENCIES (continued)

(d) Grant, transfer payments and taxes

Grant, transfer payments and taxes are inter-related. As detailed in note 2(j) and note 2(l), year-to-year fluctuations in corporate and personal tax revenue can have a significant impact on the grant and transfer payments from Canada.

Furthermore, income tax determined by Canada combines actual assessments with an estimate that assumes previous years' income tax levels will be sustained. If tax revenue is not sustained, then future tax revenue will decrease and the grant and transfer payments will increase, albeit at a somewhat smaller amount. It is not known, with any certainty, if the current higher levels of income tax revenue will be sustained.

To calculate the grant from Canada, as detailed in note 2(a), the government uses various component estimates supplied by Statistics Canada. As shown in note 2(j), one significant component is population. This estimate is based on Statistics Canada post-censal estimates which are adjusted to actual census data every five years.

Statistics Canada post-censal estimates, normally used to estimate the grant appear to be too high. Consequently, the Government has chosen to use the preliminary 2001 census estimate in calculating its grant revenue for the 2003 year. The 2001 census result is not final and has not been verified by Statistics Canada but is, in management's judgment, the best estimate of population. Using this estimate results in calculated grant revenue for 2003 some $34 million lower than using the post-censal estimates provided by Statistics Canada. However, management believes its calculation to be significantly closer to the likely final amount.

Differences between current estimates and future actual amounts, if any, can be significant. Any such differences will be recognized when the actual tax assessments and census results are finalized over the next one to four years.

19. RELATED PARTIES

Transactions with related parties and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government made contributions and grants to the following related parties:

	2003	2002
	(thousands of dollars)	
Hospitals and Regional Health Boards	$ 153,702	$ 140,601
Divisional Education Councils and District Education Authorities	102,421	94,613
Local Housing Associations and Authorities	32,866	30,792
	$ 288,989	**$ 266,006**

The Government funds communities, boards, agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of these boards and agencies. An estimate of this potential liability, if any, cannot be readily determined.

Under agreements with related boards and agencies, the Government provides services either at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of $82,698,000 (2002 - $71,925,000) were incurred and recovered from related parties.

20. FINANCIAL INSTRUMENTS

The fair value of short-term financial instruments, including cash/bank overdraft, short-term investments, due (to) from Canada, accounts receivable, and accounts payable and accrued liabilities approximate the carrying amounts because of the short-term to maturity.

The fair value of the Government's long-term financial instruments, including designated cash and investments, loans receivable, capital lease obligations, and long-term debt are detailed in the related separate notes. Where fair value amounts are not detailed, the carrying amounts approximate the fair value.

21. OVEREXPENDITURE

The Department of Transportation and the Department of Justice exceeded the amounts appropriated to them for operations and maintenance activities by $299,000 and $490,000, respectively. This contravenes the *Financial Administration Act, (FAA)* section 32, which states "No person shall incur an expense that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories Schedule A

Consolidated Schedule of Revenues by Source

for the year ended March 31, (thousands of dollars)	**2003**		**2002**
	Budget (unaudited)	**Actual**	**Actual**
From Canada			
Grant*	$ 386,579	$ 346,409	$ 290,347
Transfer payments*	79,445	84,558	47,620
	466,024	430,967	337,967
Generated revenues			
Taxes*	353,561	375,590	576,715
General	22,618	27,362	29,307
Sales:			
Liquor Commission (net of cost of goods sold of $13,678 (2002 - $12,671))	20,637	22,282	21,909
Petroleum Products (net of cost of goods sold of $8,822 (2002 - $9,548))	4,100	3,358	3,214
Recoveries	7,281	11,177	11,478
Amortization of capital contributions (note 14)	11,979	12,524	12,586
	420,176	452,293	655,209
Total revenues	**$ 886,200**	**$ 883,260**	**$ 993,176**

* The Grant from Canada, Transfer payments and Corporate and Personal Income Tax Revenue are interrelated. An increase in income tax revenue received in the year will result in the Grant from Canada being reduced, as occurred in the year ending March 31, 2002.

Government of the Northwest Territories Schedule B

Consolidated Schedule of Expenses

for the year ended March 31, (thousands of dollars)	**2003**		**2002**
	Budget (unaudited)	**Actual**	**Actual**
Operations and maintenance			
Grants and contributions	$ 386,031	$ 399,856	$ 360,161
Operations and maintenance	268,544	257,099	254,302
Compensation and benefits	189,637	214,224	210,383
Valuation allowances	-	3,781	4,671
Amortization of tangible capital assets	46,808	44,919	42,965
Total	**$ 891,020**	**$ 919,879**	**$ 872,482**

Government of the Northwest Territories

Schedule C

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31,
(thousands of dollars)

	Land	Buildings	Other*	Leasehold Improvements	Equipment	Computers	2003	2002
Cost of tangible capital assets, opening	$ 2,289	$ 675,529	$ 566,159	$ 17,409	$ 48,824	$ 19,409	$ 1,329,619	$ 1,266,779
Acquisitions	15	61,519	46,498	3,282	6,084	1,595	118,993	68,011
Disposals	(364)	(3,621)	-	-	(106)	(22)	(4,113)	(5,171)
Cost of tangible capital assets, closing	$ 1,940	$ 733,427	$ 612,657	$ 20,691	$ 54,802	$ 20,982	$ 1,444,499	$ 1,329,619
Accumulated amortization, opening	$ -	$ (254,193)	$ (169,306)	$ (10,516)	$ (25,490)	$ (9,281)	$ (468,786)	$ (426,729)
Amortization expense	-	(21,692)	(16,774)	(1,153)	(2,864)	(2,436)	(44,919)	(42,965)
Write-downs	-	-	-	-	(1,139)	17	(1,122)	(120)
Disposals	-	1,275	-	-	29	6	1,310	1,028
Accumulated amortization, closing	$ -	$ (274,610)	$ (186,080)	$ (11,669)	$ (29,464)	$ (11,694)	$ (513,517)	$ (468,786)
Net book value	$ 1,940	$ 458,817	$ 426,577	$ 9,022	$ 25,338	$ 9,288	930,982	860,833
Work in Progress							93,940	97,602
Deferred capital contributions (note 14)							(215,083)	(214,550)
							$ 809,839	$ 743,885

*includes roads, bridges, airstrips, aprons, and water/sewer works

PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF THE NORTHWEST TERRITORIES

FOR THE YEAR ENDED MARCH 31, 2003

SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

HONOURABLE JOSEPH L. HANDLEY

Minister of Finance

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SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

As at March 31, (thousands of dollars)	**2003**	**2002**
Financial resources		
Cash (note 3)	$ -	$ 103,700
Short-term investments (note 4)	24,440	234,707
Due from Canada (note 5)	31,745	-
Accounts receivable (note 6)	56,433	63,518
Inventories and prepaid expenses (note 7)	10,567	11,861
Designated cash and investments (note 8)	26,231	31,263
Loans receivable (note 9)	46,097	40,801
Investment in Northwest Territories Power Corporation, at nominal value of one dollar	-	-
	195,513	**485,850**
Liabilities		
Bank overdraft (note 3)	2,744	-
Due to Canada (note 5)	-	178,503
Accounts payable and accrued liabilities (note 11)	108,500	126,504
Capital lease obligations (note 12)	15,275	16,206
Post employment benefits (note 13)	39,547	37,520
	166,066	**358,733**
Net financial resources	**$ 29,447**	**$ 127,117**
Non-financial assets		
Tangible capital assets (schedule C)	946,080	881,418
less: deferred capital contributions (note 14)	(215,083)	(214,550)
	730,997	**666,868**
Accumulated surplus	**$ 760,444**	**$ 793,985**

Commitments and contingencies (notes 17 and 18)

The accompanying notes and Schedules A, B and C are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Change in Net Financial Resources (unaudited)

for the year ended March 31, (thousands of dollars)	2003		2002
	Main Estimates (note 1c)	Actual	
Net financial resources at beginning of year	**$ 127,117**	$ 127,117	$ 66,054
Items affecting net financial resources:			
Surplus (deficit) for the year	(11,868)	(33,541)	120,360
Increase in tangible capital assets, net book value (schedule C)	(69,751)	(64,662)	(59,966)
Increase in deferred capital contributions (note 14)	1,748	533	669
Net financial resources at end of year	**$ 47,246**	**$ 29,447**	**$ 127,117**

The accompanying notes and Schedules A, B and C are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, (thousands of dollars)	**2003**		**2002**
	Main Estimates (note 1c)	**Actual**	
Revenues			
Revenues by source (Schedule A)	$ 853,120	$ 844,157	$ 953,889
Recoveries of prior years' expenses	3,000	1,972	3,555
	856,120	846,129	957,444
Expenses (Schedule B)			
Compensation and benefits	163,799	181,815	180,656
Grants and contributions	417,515	433,837	396,595
Valuation allowances	-	2,467	2,435
Other	231,474	221,577	219,142
Amortization	40,200	40,429	38,228
Estimated supplementary requirements (note 1c)	23,000	-	-
Estimated appropriation authority lapse (note 1c)	(8,000)	-	-
	867,988	880,125	837,056
Annual operating surplus (deficit)	**(11,868)**	**(33,996)**	**120,388**
Petroleum Products Stabilization Fund - net revenue (expense) (note 15)	-	455	(28)
Projects for Canada, Nunavut and others			
Expenses	(45,757)	(53,561)	(47,066)
Recoveries	45,757	53,561	47,066
Annual surplus (deficit)	**$ (11,868)**	**(33,541)**	**120,360**
Accumulated surplus, at beginning of year		793,985	673,625
Accumulated surplus, at end of year		**$ 760,444**	**$ 793,985**

The accompanying notes and Schedules A, B and C are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Cash Flow (unaudited)

for the year ended March 31, (thousands of dollars)	**2003**	**2002**
Operating transactions		
Cash received from:		
Canada	$ 173,777	$ 546,108
Taxation	415,484	565,429
Recoveries and general revenue	32,393	30,007
Projects for Canada, Nunavut and others	50,906	37,268
Recovery of costs incurred for related parties	84,279	71,925
Revolving funds sales	48,953	47,564
	805,792	1,298,301
Cash paid for:		
Compensation and benefits	198,574	163,086
Grants and contributions	433,467	396,208
Operations and maintenance	255,390	228,530
Projects for Canada, Nunavut and others	53,561	47,152
Direct costs incurred for related parties	82,698	72,741
	1,023,690	907,717
Cash provided by (used for) operating transactions	**(217,898)**	**390,584**
Capital transactions		
Acquisition of tangible capital assets	(107,946)	(100,518)
Disposal of tangible capital assets (net)	2,855	2,324
Capital contributions received and deferred	13,057	13,255
Cash provided by (used for) capital transactions	**(92,034)**	**(84,939)**
Investing transactions		
Designated cash and investments redeemed (purchased)	2,656	(3,020)
Loans receivable receipts	2,213	3,284
Loans receivable advanced	(10,717)	(5,659)
Cash provided by (used for) investing transactions	**(5,848)**	**(5,395)**
Financing transaction		
Repayment of capital lease obligations	**(931)**	**(971)**
Increase (decrease) in cash and cash equivalents	**(316,711)**	**299,279**
Cash and cash equivalents at beginning of year	338,407	39,128
Cash and cash equivalents at end of year*	**$ 21,696**	**$ 338,407**

* Cash and cash equivalents are represented by cash and short-term investments less bank overdraft.

The accompanying notes and Schedules A and B are an integral part of the non-consolidated financial statements

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

(a) Authority and operations

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

(b) Reporting entity

The Government prepares consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements. These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Government Territorial Crown Corporations, boards and agencies are included in these statements only to the extent of the Government's contributions to, or revenues from, them:

Aurora College
Divisional Educational Councils and District Education Authorities
Hospitals and Regional Health Boards
Northwest Territories Business Credit Corporation
Northwest Territories Development Corporation
Northwest Territories Housing Corporation
Northwest Territories Power Corporation

Detailed financial information on revolving funds and Territorial Crown Corporations is included in Section III of the Public Accounts.

(c) Main estimates

The Main Estimates are the appropriations approved by the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

The estimated supplementary requirements and the estimated appropriation authority lapse are included in the Main Estimates on the statement of operations and surplus. They are included for the purpose of comparing the actual net operating revenue (expense) to the estimated net operating revenue (expense).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to employee future benefits, contingencies, revenue accruals and Students Loan Fund allowances for both forgivable and delinquent loans and amortization expense. Other estimates, such as Canada Health and Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by Canada's Department of Finance and are subject to adjustments in future years. Another significant estimate is the Grant from Canada, which incorporates estimates supplied by Statistics Canada and Canada's Department of Finance. Many of the statistical estimates are not finalized until three to seven years after the year end.

(b) Short-term investments/designated cash and investments

Investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis, dividend income is recognized as it is received and gains and losses are recognized as incurred. Unrealized losses are recognized when it is determined that there is a permanent impairment in the value of the investments.

Investment in securities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end. Foreign currency transactions during the year are translated into Canadian dollars at the exchange rate at the transaction date.

(c) Inventories and prepaid expenses

Inventories for resale consist of bulk fuel and liquor products. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at replacement cost. Other inventories are valued at the lower of cost, determined on a first in, first out basis and net replacement value.

Prepaid expenses are advance payments made prior to year end to meet April 1 deadlines.

d) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value.

Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(e) Investment in the Northwest Territories Power Corporation

The Government is the shareholder of the Northwest Territories Power Corporation, a Territorial Crown Corporation providing utility services in the Northwest Territories. The Government's share of the net assets of the Corporation has been recorded at a nominal value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Non-financial assets

Tangible Capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Government unless they are sold.

(g) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds $50,000 and are intended to be used on an ongoing basis for delivering services. Individual assets less than $50,000 are expensed when purchased.

Tangible capital assets are recorded at cost, or where actual cost was not available, estimated current replacement cost converted back to date of purchase by discounting current year dollars for inflation. Gifted and cost shared tangible capital assets from Canada are recorded at fair market value upon receipt, with the gifted or cost shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service are amortized on straight line basis over their economic life based on the following guidelines:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	40 years
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	20 - 25 years
Computers and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lease term plus renewal option

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. The present value is based on the specified rate or the government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. Works of art, historical treasures and crown lands are not recorded.

(h) Post employment benefits

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times (2002 - 2.14 times) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represents the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Post employment benefits (continued)

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

(i) Commitments and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual commitments pertain to operating, commercial and residential leases, capital projects, and operational funding commitments.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(j) Grant from Canada

The Grant from Canada is subject to the terms of the Formula Financing Agreement with Canada. The Grant entitlement is dependent on a number of variables, including population growth, the growth of provincial-local government spending, Government of the Northwest Territories revenues and other federal transfers.

The initial payments of the Grant are based on estimates of these variables, supplied by Statistics Canada, Canada's Department of Finance and the Government. Adjustments are made as final data becomes available which can take between three to seven years. These adjustments can be significant and can affect both current and future years' grant entitlement positively or negatively. Population figures are initially based on Statistics Canada's post-censal estimates, which are adjusted to census data every five years. All known changes to estimates, relating to current year and prior years, are recorded in the current year as revenue adjustments.

(k) Projects for Canada, Nunavut and others

The Government undertakes projects for Canada, Nunavut and others. Where possible the Government receives accountable advances and any unexpended balances remaining at year end are recorded as current liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

(l) Taxes

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Changes to personal and corporate income tax estimates can have a significant impact on the Grant from Canada.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxes (continued)

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act* respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Property tax and school levies are assessed on a calendar year basis and are recognized on an accrual basis in the fiscal year in which the calendar year ends.

(m) Other revenues/deferred revenue

Licenses, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis. Funding received for specified purposes is deferred until the related expenses are incurred.

(n) Expenses

Expenses are recorded on an accrual basis. The Government records expenses in the year in which the related goods and services are utilized. Government grants and contributions are accrued as expenses when paid or earlier if the recipient has fulfilled the terms of the contractual agreement.

(o) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

3. CASH (BANK OVERDRAFT)

	2003	2002
	(thousands of dollars)	
Cash in bank	$ 15,364	$ 135,890
Overdraft at bank	(11,811)	(17,880)
Outstanding items	(6,297)	(14,310)
	$ (2,744)	**$ 103,700**

The Government has a line of credit provided by a Chartered Bank. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. The overdraft interest rate is based on prime and the collateral is on the Consolidated Revenue Fund of the Government. Interest is only charged when there is a net overdraft balance of the Government and its pool participants. Interest paid in 2003 was $2,000 (2002 - $5,000). The average borrowing rate during the year was 3.57% (2002 - 5.87%). As at March 31, 2003 there was no net overdraft balance (2002 - nil).

4. SHORT-TERM INVESTMENTS

The surplus cash of the Government is pooled with the surplus cash of certain Territorial Crown Corporations, boards and agencies. This investment pool is invested in a diversified portfolio of high grade, short and long term income producing assets.

At March 31, 2003 the investment pool had total investments of $55 million (2002 - $273 million). The Government's portion of this is $ 24,440,000 (2002 - $234,707,000). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines, Financial Administration Act and Investment Regulations. All short-term instruments, depending on the investment class, are rated R-1 Low or better from the Dominion Bond Rating Service Ltd. Investments are diversified limiting them, depending on the type of investment, to a maximum of 10% to 50% of the total portfolio. There is no significant concentration in any one investment.

At March 31, 2003 the average term to maturity was 18 days (2002 - 20 days). The portfolio yield for the year varied from 2.03% to 2.94% (2002 - 1.91% to 5.06%). In 2003 the Government earned interest on short-term investments of $4,004,000 (2002 - $2,016,000).

5. DUE FROM (TO) CANADA

	2003	2002
	(thousands of dollars)	
Grant receivable (repayable)		
Grant per financing agreement	$ 346,409	$ 290,347
Less payments received	(110,402)	(535,493)
	236,007	(245,146)
Balance receivable (repayable) at beginning of year	(218,398)	26,748
	17,609	(218,398)
Other receivables:		
Indian and Inuit hospital and medical care	25,471	36,986
Projects on behalf of Canada	16,322	15,787
Miscellaneous receivables	19,395	13,317
	78,797	**(152,308)**
Other payables:		
Advances for projects on behalf of Canada	(1,018)	(711)
Excess income tax advanced	(35,004)	(174)
Miscellaneous payables	(11,030)	(22,459)
Deferred funding for specified purposes	-	(2,851)
	(47,052)	**(26,195)**
	$ 31,745	**$ (178,503)**

The amounts due (to) from Canada are non-interest bearing.

6. ACCOUNTS RECEIVABLE

	2003	2002
	(thousands of dollars)	
General	$ 17,676	$ 23,013
Government of Nunavut	30,590	34,480
Revolving funds sales	4,014	4,109
Accrued interest	208	177
	52,488	61,779
Less: allowance for doubtful accounts	7,092	7,045
	45,396	**54,734**
Receivables from related parties:		
Aurora College	1,307	667
Divisional Education Councils and District Education Authorities	303	1,389
Hospitals and Regional Health Boards	674	1,364
Northwest Territories Development Corporation	67	565
Northwest Territories Housing Corporation	631	797
Northwest Territories Power Corporation	8,055	4,002
	11,037	**8,784**
	$ 56,433	**$ 63,518**

During the year, $101,000 in accounts receivable (2002 - nil) were written off and $219,000 (2002 - $159,000) were forgiven.

7. INVENTORIES AND PREPAID EXPENSES

	2003	2002
	(thousands of dollars)	
Inventories		
Bulk fuels	$ 4,874	$ 6,015
Liquor products	2,191	2,707
Public stores	92	130
	7,157	**8,852**
Prepaid operational expenses	**3,410**	**3,009**
	$ 10,567	**$ 11,861**

Bulk fuel inventory write-down for 2003 was $122,000 (2002 - $142,000).

8. DESIGNATED CASH AND INVESTMENTS

	2003	2002
	(thousands of dollars)	
Investment portfolio:		
Marketable securities (market value $15,665,000, 2002-$11,616,000)	$ 17,381	$ 11,617
Treasury bills (market value approximates cost)	2,050	10,973
Cash and other assets (market value approximates cost)	56	55
	19,487	**22,645**
Students Loan Fund:		
Authorized limit	33,000	33,000
Less: loans receivable	26,256	24,382
Segregated and designated for new loans	**6,744**	**8,618**
	$ 26,231	**$ 31,263**

The cash and marketable securities held in the investment portfolio, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance Plan I and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by CIBC Mellon Global Securities Company. Supplementary Retiring Allowances Regulations restrict the investments that CIBC Mellon Global Securities Company can make to those listed in the *Pension Benefits Standards Act*.

The proportionate asset mix in the investment portfolio is as follows as at:

	2003	2002
	%	%
Canadian stocks	17.35	16.04
Cash and other assets	10.77	8.80
Corporate bonds	13.63	15.06
Federal bonds	16.68	13.99
Foreign stocks	29.28	35.26
Provincial bonds	12.29	10.85
	100.00	100.00

The average market yield on the portfolio is 3.6% (2002 - 3.2%) with maturity dates ranging from April 2003 to March 2033. The loss on investments, including interest, dividends and gains or losses on disposal was $2,376,000 (2002 gain - $1,728,000).

9. LOANS RECEIVABLE

	2003	2002
	(thousands of dollars)	
Working Capital advances to the Northwest Territories Business Credit Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three year bond rates at the end of the month	$ 31,204	$ 28,523
Students Loan Fund loans due in installments to 2015, bearing interest between 1.5% and 12.5%, net of allowance for doubtful accounts and loan remissions of $16,799,000 (2002 - $15,132,000)	9,457	9,251
Loans to municipalities due in installments to 2026, bearing interest between 6.50% and 11.27%	2,713	2,857
Other*	2,723	170
	$ 46,097	**$ 40,801**

The amount that is expected to be received in the current year is $2,282,000 (2002 - $1,936,000). The interest earned on loans receivable during the year was $1,914,000 (2002 - $1,608,000).

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of these loans receivable due to the significant valuation allowances provided. The carrying value of the loans receivable should not be seen as the realizable value on immediate settlement of these loans due to the uncertainty associated with such a settlement.

* Other receivables includes a loan to Deton'Cho Corporation for $2.6 million repayable in 20 equal installments over ten years and bearing no interest. This loan results from a guarantee the Government made for Deton'Cho Diamonds Inc. that was subsequently called by the bank. Foregone interest, calculated at the Government's long term borrowing rate is recorded as a Grant in Kind, in 2003 interest was $95,202.

During the year, the following amounts were written off and forgiven with proper authority:

	2003	2002
	(thousands of dollars)	
Students Loan Fund:		
Forgivable loan remissions, including interest	$ 1,251	$ 1,099
Write-offs	392	-
	$ 1,643	**$ 1,099**

10. SHORT-TERM LOANS

There were no short-term loans as at March 31, 2003 (2002 -nil). The borrowing limit under the *Borrowing Authorization Act* is $175 million.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2003	2002
	(thousands of dollars)	
Trade	$ 48,011	$ 49,515
Other liabilities, payroll deductions and contractors' holdbacks	13,336	16,601
Government of Nunavut	8,587	8,124
Employee vacation pay	10,246	8,910
Deferred revenue	211	894
Provision for equal pay settlement	15,071	33,427
	95,462	**117,471**
Payables to related parties:		
Aurora College	1,381	1,391
Divisional Education Councils and District Education Authorities	1,201	1,354
Hospitals and Regional Health Boards	8,351	4,725
Northwest Territories Development Corporation	10	31
Northwest Territories Housing Corporation	1,107	666
Northwest Territories Power Corporation	988	866
	13,038	**9,033**
	$ 108,500	**$ 126,504**

12. CAPITAL LEASE OBLIGATIONS

	2003	2002
	(thousands of dollars)	
Buildings	$ 15,275	$ 16,206

Interest expense related to capital lease obligations for the year was $1,845,000 (2002 - $1,994,000), at an implied average interest rate of 11.7% (2002 - 12%). Capital lease obligations are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2003.

	(thousands of dollars)
2004	$ 2,732
2005	2,732
2006	2,732
2007	2,732
2008	2,732
Beyond 2008	12,644
Total minimum lease payments	26,304
Less: imputed interest 11.5%	11,029
Present value of minimum lease payments	**$ 15,275**

13. POST EMPLOYMENT BENEFITS

	2003	2002
	(thousands of dollars)	
Employee Future Benefits		
Resignation	$ 12,261	$ 12,285
Removal	5,417	5,717
Retirement	2,252	2,206
	19,930	**20,208**
Pension Liabilities		
Legislative Assembly Supplementary Retiring Allowance Plans	17,714	15,713
Judges' Supplemental Pension Plan	1,903	1,599
	19,617	**17,312**
Total	**$ 39,547**	**$ 37,520**

The expected payments due for employee future benefits in the current year are $2,085,000 (2002 - $1,935,000).

The Government maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. Both plans are contributory defined benefit pension plans. These two pension plans are fully funded, consequently the Government has no net liabilities as at March 31, 2003 (2002 - nil). The funds related to these plans are administered by independent trust companies. As well there are three supplementary plans known as the Legislative Assembly Supplementary Retiring Allowance Plan I and the Legislative Assembly Supplementary Retiring Allowance Plan II, and the Judges' Supplemental Pension Plan. The Legislative Assembly Supplementary Retiring Allowance Plan II came into force April, 2002. These three plans are non-contributory defined benefit pension plans. The Government is liable for all benefits. Benefits provided under all five plans are based on service and/or earnings.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 2000 and April 1, 2001 respectively, using the projected benefit method prorated on service. An actuarial valuation has not been completed for the Legislative Assembly Supplementary Retiring Allowance Plan II. The valuation is based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts. The actuarial valuations were extrapolated to March 31, 2003, if they were not valued at the balance sheet date.

Pension Expense

Pension expense for the Legislative Assembly Retiring Allowances Fund, the Territorial Court Judges' Registered Pension Plan, the Legislative Assembly Supplementary Retiring Allowance, Plans I and II, and Judges' Supplemental Pension Plan for the year totalled $2,964,000 (2002 - $997,000). The Government's contributions to the Public Service Superannuation Plan were $19,855,000 (2002 - $16,272,000). The employees' contributions to the Public Service Superannuation Plan were $9,278,000 (2002 - $7,604,000).

14. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted from or cost shared with Canada. The most significant of these assets are roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset.

	2003	2002
	(thousands of dollars)	
Deferred capital contributions at beginning of year	$ 214,550	$ 213,881
Add: Assets gifted or cost shared during the year	13,057	13,255
Less: Amortization of capital contributions	(12,524)	(12,586)
Deferred capital contributions at end of year	**$ 215,083**	**$ 214,550**

15. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund is included in the accumulated surplus. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The net revenues or expenses of the Petroleum Products Stabilization Fund are charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed $5,000,000.

In 2003 the Government appropriated $4,191,000 to eliminate the stabilization fund accumulated deficit at the beginning of the year.

	2003	2002
	(thousands of dollars)	
Deficit at beginning of the year	$ (4,191)	$ (4,163)
Supplemental stabilization funding	4,191	-
	-	(4,163)
Less: Petroleum Products Stabilization Fund - Net revenue (expense)	455	(28)
Surplus (deficit) at end of the year	**$ 455**	**$ (4,191)**

16. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2003	2002
	(thousands of dollars)	
Correctional institutions and Other	$ 233	$ 442
Public Trustee	2,695	2,497
Natural resources - Capital	188	336
Supreme and Territorial courts	420	423
Workers' Compensation Board (Northwest Territories and Nunavut)	263,585	266,646
	$ 267,121	**$ 270,344**

The Workers' Compensation Board's (Northwest Territories and Nunavut) fiscal year end is December 31. Its most recent financial statements and those of the Public Trustee are reproduced in Section III of the Public Accounts of the Government.

17. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenses to be incurred subsequent to March 31, 2003:

	Expiry Date	2004	2005-2026	Total
		(thousands of dollars)		
Operational commitments	2016	$ 25,213	$ 31,402	$ 56,615
Commercial and residential leases	2019	10,939	44,147	55,086
RCMP Policing Agreement	2012	20,108	160,864	180,972
Capital commitments - Projects in progress at March 31, 2003	2005	41,898	10,547	52,445
Equipment leases	2008	819	1,069	1,888
Commissions Commitment	2006	996	365	1,361
Western Harvesters' Assistance Program	2005	177	71	248
		$ 100,150	**$ 248,465**	**$ 348,615**

Chargeback of Services

The Government has 6 (2002 - 13) cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of Nunavut are estimated at $10,102,000 (2002 - $10,820,000) for the fiscal year 2003-2004.

18. CONTINGENCIES

(a) Contingent liabilities

The Government is contingently liable for the following:

	(thousands of dollars)
Debentures issued by the Northwest Territories Power Corporation, maturing from 2009 to 2032	$ 117,147
Loans payable by the Northwest Territories Housing Corporation	27,225
Loans payable by the Northwest Territories Power Corporation	6,000
Guaranteed operating lines of credit	17,010
Guaranteed residential housing loans	8,100
Uninsured loss	568
	$ 176,050

(b) Environmental restoration costs

As circumstances and funding have permitted, the Government has been addressing the problem of environmental liabilities. In a number of departments, this process has consisted of identifying sites of potential liability and remediating the sites as necessary.

The Government has identified 351 sites where environmental liabilities may exist. Of these, 187 sites have been assessed. To date 88 of the 187 sites have been remediated or it has been determined no liability exists. Other assessed sites either have remediation plans in place or are undergoing further study.

Of the total sites identified, 126 are active fuel caches managed by the Department of Resources, Wildlife and Economic Development that are located a distance from communities. Many of these caches, because of their remoteness and the small number of drums involved (with the potential for only limited local contamination), have not yet been formally assessed. As these sites are re-supplied, each is assessed for liabilities. In addition, the Department currently has 75 inactive fuel caches where there are no drums stored.

In the case of the Petroleum Products Stabilization Fund, 22 tank farm comprehensive site assessments have been completed and it has been confirmed that hydrocarbon contamination is present in varying levels at all sites. Accurate cost estimates will not be possible until the level of contamination and scope of work are more clearly established.

The Government will continue with its program of site inspection, assessment and remediation on an ongoing basis. In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2003, cost estimates of sufficient accuracy are not yet available to predict future costs, if any, of restoration, consequently, no liabilities have been accrued.

18. CONTINGENCIES (continued)

(c) Guarantees

The Government has guaranteed operating lines of credit for Sirius Diamonds NWT Ltd. to a maximum of $10,000,000; Arslanian Cutting Works (NWT) Ltd. to a maximum of $9,200,000 subject to terms of the guarantee agreements which may require specific approval for future advances. The current balances of the operating lines of credit are $7,960,000 and $9,050,000 respectively.

The Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the percentage the Northwest Territories' population is of the total Canadian population.

As at March 31, 2003 no claims have been made on these guarantees.

(d) Litigation

More individuals have come forward alleging abuse by a former schoolteacher in Nunavut, formerly part of the Northwest Territories. Pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending this action and any damages that may eventually be awarded will be shared by the two Governments 56.66% and 44.34% respectively. An estimate of the loss arising from these suits, if any, cannot be determined at this time.

(e) Grant, Transfer Payments and Taxes

Grant, transfer payments and taxes are inter-related. As detailed in note 2(j) and note 2(l), year-to-year fluctuations in corporate and personal income tax revenue, can have a significant impact on the grant and transfer payments from Canada.

Furthermore, income tax determined by Canada combines actual assessments with an estimate that assumes that previous years' income tax levels will be sustained. If tax revenue is not sustained, then future tax revenue will decrease and the grant and transfer payments will increase, albeit at a somewhat smaller amount. It is not known, with any certainty, if the current higher levels of income tax revenue will be sustained.

To calculate the grant from Canada, as detailed in note 2(a), the government uses various component estimates supplied by Statistics Canada. As shown in note 2(j), one significant component is population. This estimate is based on Statistics Canada post-censal estimates which are adjusted to actual census data every five years.

Statistics Canada post-censal estimates, normally used to estimate the grant, appear to be too high. Consequently, the government has chosen to use the preliminary 2001 census estimate in calculating its grant revenue for the 2003 year. The 2001 census result is not final and has not been verified by Statistics Canada but is, in management's judgement, the best estimate of population. Using this estimate results in calculated grant revenue for 2003 some $34 million lower than using the post-censal estimates provided by Statistics Canada. However, management believes its calculation to be significantly closer to the likely final amount.

Differences between current estimates and future actual amounts, if any, can be significant. Any such differences will be recognized when the actual tax assessments and census results are finalized over the next one to four years.

19. RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government made grants and contributions to the following related parties.

	2003	2002
	(thousands of dollars)	
Hospitals and Regional Health Boards	$ 153,702	$ 140,601
Divisional Education Councils and District Education Authorities	102,421	94,613
Northwest Territories Housing Corporation	49,486	46,955
Aurora College	22,772	22,662
Northwest Territories Development Corporation	3,450	2,700
Northwest Territories Business Credit Corporation	756	753
	$ 332,587	**$ 308,284**

The Government funds communities, boards and agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of these boards and agencies. An estimate of the potential liability, if any, cannot be determined.

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of $82,698,000 (2002 - $71,925,000) were incurred and recovered from related parties.

The Government of the Northwest Territories receives dividend revenue in return for its investment in the Northwest Territories Power Corporation. Dividend revenue for the current year is $4,000,000 (2002 - $4,000,000).

20. FINANCIAL INSTRUMENTS

The fair value of short-term financial instruments, including cash/bank overdraft, short-term investments, due (to) from Canada, accounts receivable, and accounts payable and accrued liabilities approximate the carrying amounts because of the short term to maturity.

The fair value of the Government's long-term financial instruments, including designated cash and investments, loans receivable, capital lease obligations, and long-term debt are detailed in the related separate notes. Where fair value amounts are not detailed, the carrying amounts approximate the fair value.

21. OVEREXPENDITURE

The Department of Transportation and the Department of Justice exceeded the amounts appropriated to them for operations and maintenance activities by $299,000 and $490,000, respectively. This contravenes the *Financial Administration Act, (FAA)* section 32, which states..."No person shall incur an expense that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

22. COMPARATIVE FIGURES

Certain comparative figures on the statement of cash flow have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories Schedule A

Non-Consolidated Schedule of Revenues by Source (unaudited)

March 31, (thousands of dollars)	**2003**		**2002**
	Main Estimates (note 1c)	**Actual**	**Actual**
Revenue from Canada			
Grant *	$ 386,570	$ 346,409	$ 290,347
Transfer payments*	54,953	61,578	24,655
	441,532	407,987	315,002
Taxation			
Corporate Income Tax*	263,937	274,593	486,285
Personal Income Tax*	46,501	50,629	42,990
Fuel	13,809	15,612	16,854
Tobacco	10,229	12,866	10,542
Payroll	10,107	12,718	11,439
Property tax and school levies	7,278	6,824	6,455
Insurance	1,700	2,348	2,150
	353,561	375,590	576,715
Recoveries			
Program	7,741	7,801	8,704
Service	1,324	1,800	1,612
Lease and accommodations	1,137	1,440	1,400
Commodity sales	55	53	66
Salary recoveries - boards and agencies	75	74	74
Asset sales - furniture	65	144	-
Insurance proceeds	60	4	18
Transportation	48	55	77
Amortization of capital contributions (note 14)	12,151	12,524	12,586
	22,656	23,895	24,537
General			
Revolving Funds net revenue	17,786	19,199	18,588
Regulatory revenues	11,067	11,561	11,202
Other general revenues	1,559	1,505	1,611
Investment income	4,571	3,683	5,847
Gain on disposal of tangible capital assets	100	367	-
	35,083	36,315	37,248
Grants in Kind	288	370	387
Total Revenues	**$ 853,120**	**$ 844,157**	**$ 953,889**

* The Grant from Canada, Transfer payments and Corporate and Personal Income Tax Revenue are inter-related. An increase in income tax revenue received in the year will result in the Grant from Canada being reduced, as occurred in the year ended March 31, 2002.

Government of the Northwest Territories Schedule B

Non-Consolidated Schedule of Expenses (unaudited)

March 31,
(thousands of dollars)

	Main Estimates (note 1c)	Compensation and Benefits	Grants and Contributions	Valuation Allowances	Other	Amortization	2003 Total Expenses	2002 Total Expenses
Legislative Assembly	$ 14,047	$ 5,512	$ -	$ -	$ 9,589	$ 683	$ 15,784	$ 12,855
Executive	51,772	23,291	10,481	-	14,671	1,107	49,550	63,610
Finance	7,766	3,134	-	-	4,328	29	7,491	6,439
Municipal and Community Affairs	70,750	10,523	51,917	-	6,072	2,555	71,067	61,468
Public Works and Services	41,324	16,106	260	-	23,377	2,435	42,178	40,807
Health and Social Services	199,882	14,918	156,932	310	36,967	3,543	212,670	194,217
Justice	69,584	36,558	1,874	121	34,983	713	74,249	65,710
NWT Housing Corporation	48,981	-	49,486	-	-	-	49,486	46,955
Education, Culture and Employment	195,903	15,777	146,079	1,938	32,999	7,305	204,098	194,321
Transportation	71,405	23,576	446	-	28,452	21,262	73,736	71,536
Resources, Wildlife and Economic Development	81,574	32,420	16,362	98	30,139	797	79,816	79,138
Total 2003	**$ 852,988**	**$ 181,815**	**$ 433,837**	**$ 2,467**	**$ 221,577**	**$ 40,429**	**$ 880,125**	
Total 2002	**$ 788,825**	$ 180,656	$ 396,595	$ 2,435	$ 219,142	$ 38,228		**$ 837,056**

Government of the Northwest Territories Schedule C

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

As at March 31, (thousands of dollars)	Land	Buildings	Other*	Leasehold Improvements	Equipment	Computers	2003	2002
Cost of tangible capital assets, opening	$ 1,666	$ 551,187	$ 566,126	$ 16,079	$ 41,339	$ 19,159	$ 1,195,556	$ 1,143,715
Acquisitions	-	57,524	46,498	3,109	4,895	1,585	113,611	54,715
Disposals	(70)	(2,663)	-	-	(66)	-	(2,799)	(2,874)
Cost of tangible capital assets, closing	1,596	606,048	612,624	19,188	46,168	20,744	1,306,368	1,195,556
Accumulated amortization, opening	-	(200,358)	(169,281)	(9,697)	(20,284)	(9,089)	(408,709)	(371,031)
Amortization expense	-	(17,887)	(16,766)	(1,029)	(2,363)	(2,384)	(40,429)	(38,228)
Write-downs	-	-	-	-	(1,169)	-	(1,169)	(111)
Disposals	-	1,105	-	-	8	-	1,113	661
Accumulated amortization, closing	-	(217,140)	(186,047)	(10,726)	(23,808)	(11,473)	(449,194)	(408,709)
Net book value	**$ 1,596**	**$ 388,908**	**$ 426,577**	**$ 8,462**	**$ 22,360**	**$ 9,271**	857,174	786,847
Work in progress							**88,906**	**94,571**
							$ 946,080	**$ 881,418**

* includes roads, bridges, airstrips, aprons and water/sewer works

Change in tangible capital asset net book value	**2003**	**2002**
Acquisitions	$ 107,946	$ 100,518
Disposals/write-downs	(2,855)	(2,324)
Amortization	(40,429)	(38,228)
Increase (decrease)	**$ 64,662**	**$ 59,966**

Government of the Northwest Territories

Schedule 1

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Legislative Assembly					
Recoveries					
Merchandise	$ 8	$ -	$ 8	$ 5	$ (3)
Publications	5	-	5	3	(2)
Concessions	1	-	1	2	1
	14	-	14	10	(4)
General revenue					
Fees	1	-	1	-	(1)
(Loss) Gain on investments	-	-	-	(2,376)	(2,376)
	1	-	1	(2,376)	(2,377)
	15	-	**15**	**(2,366)**	**(2,381)**
Executive					
Executive Offices					
General revenue					
Fees	-	-	-	10	10
Financial Management Board Secretariat					
Recoveries					
NTPC dividend	4,423	(423)	4,000	4,000	-
Staff Housing	10	-	10	169	159
	4,433	(423)	4,010	4,169	159
General revenue					
Interest	23	-	23	108	85
Fees	4	-	4	42	38
Gain on sale of assets	-	-	-	1	1
	27	-	27	151	124
	4,460	**(423)**	**4,037**	**4,330**	**293**
Finance					
Operating Grant - Canada	386,579	(105,672)	280,907	346,409	65,502
Transfer Payments					
Canadian Health and Social Transfer	20,868	(2,851)	18,017	31,109	13,092
Recoveries					
Investment pool costs	187	-	187	147	(40)
Insured and third party	60	-	60	4	(56)
	247	-	247	151	(96)

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Finance (continued)					
Taxation					
Corporate	263,937	15,169	279,106	274,593	(4,513)
Personal	46,501	4,003	50,504	50,629	125
Fuel	13,809	3,214	17,023	15,612	(1,411)
Tobacco	10,229	2,260	12,489	12,866	377
Payroll	10,107	1,711	11,818	12,718	900
Property tax and school levies	7,278	(320)	6,958	6,824	(134)
Insurance	1,700	-	1,700	2,348	648
	353,561	26,037	379,598	375,590	(4,008)
General revenue					
Liquor Commission	17,691	2,109	19,800	19,150	(650)
Investment interest	1,998	2,312	4,310	4,004	(306)
Municipal interest	444	-	444	309	(135)
Fees	170	-	170	176	6
	20,303	4,421	24,724	23,639	(1,085)
	781,558	**(78,065)**	**703,493**	**776,898**	**73,405**
Municipal and Community Affairs					
Recoveries					
Land leases	800	-	800	996	196
Third party	-	155	155	156	1
	800	155	955	1,152	197
General revenue					
Fees	705	(505)	200	112	(88)
Licenses	124	-	124	96	(28)
Interest	-	-	-	25	25
Lease revenue	-	-	-	8	8
Gain on sale of assets	-	-	-	5	5
	829	(505)	324	246	(78)
	1,629	**(350)**	**1,279**	**1,398**	**119**
Public Works and Services					
Transfer payments					
Federal programs	37	-	37	34	(3)
Grants					
Grants in Kind	288	-	288	370	82

Government of the Northwest Territories

Schedule 1
(continued)

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Public Works and Services (continued)					
Recoveries					
Chargebacks	605	(135)	470	608	138
Water and sewer maintenance	335	642	977	926	(51)
Commercial leases	298	-	298	246	(52)
Sale of Surplus Assets	65	-	65	144	79
Utility services	50	-	50	50	-
Parking stall rentals	25	-	25	16	(9)
	1,378	507	1,885	1,990	105
General revenue					
Permits	437	-	437	542	105
Fees	300	-	300	288	(12)
Inspections	97	-	97	68	(29)
Registrations	-	-	-	43	43
Gain on sale of assets	100	-	100	-	(100)
	934	-	934	941	7
	2,637	**507**	**3,144**	**3,335**	**191**
Health and Social Services					
Transfer payments					
Federal cost shared	26,861	456	27,317	23,338	(3,979)
Federal programs	-	-	-	119	119
	26,861	456	27,317	23,457	(3,860)
Recoveries					
Program recipient	2,505	-	2,505	2,035	(470)
Third party	-	-	-	229	229
Capital Contributions	-	850	850	842	(8)
	2,505	850	3,355	3,106	(249)
General revenue					
Licenses	85	-	85	93	8
Fees	40	-	40	65	25
Gain on sale of assets	-	-	-	217	217
	125	-	125	375	250
	29,491	**1,306**	**30,797**	**26,938**	**(3,859)**
Justice					
Transfer payments					
Federal cost shared	6,117	295	6,412	6,440	28
Federal programs	70	-	70	75	5
	6,187	295	6,482	6,515	33
Recoveries					
Boards and agencies	75	-	75	74	(1)
Air charter	48	-	48	55	7
Program recipient	39	-	39	49	10
Publications	16	-	16	13	(3)
Room and board	4	-	4	7	3
	182	-	182	198	16

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Justice (continued)					
General revenue					
Fees	3,055	70	3,125	3,213	88
Fines	372	-	372	385	13
Interest	4	-	4	2	(2)
	3,431	70	3,501	3,600	99
	9,800	**365**	**10,165**	**10,313**	**148**
Education, Culture and Employment					
Transfer payments					
Federal programs	1,000	-	1,000	463	(537)
Recoveries					
Program recipient	20	-	20	-	(20)
Concessions	15	-	15	12	(3)
Publications	-	-	-	16	16
Merchandise	-	-	-	1	1
Commercial leases	-	-	-	6	6
Capital contributions	117	-	117	133	16
	152	-	152	168	16
General revenue					
Interest	500	-	500	486	(14)
Exam and certification	2	-	2	14	12
Fees	1	-	1	-	(1)
Gain on sale of assets	-	-	-	144	144
	503	-	503	644	141
	1,655	**-**	**1,655**	**1,275**	**(380)**
Transportation					
Recoveries					
Third party	434	167	601	626	25
Road / highway maintenance	147	-	147	69	(78)
Program recipient	-	-	-	2	2
Capital contributions	12,034	(527)	11,507	11,404	(103)
	12,615	(360)	12,255	12,101	(154)
General revenue					
Registrations	2,221	-	2,221	2,637	416
Fees	2,152	110	2,262	1,944	(318)
Lease	1,320	-	1,320	1,243	(77)
Licenses	346	-	346	603	257
Concession	239	-	239	254	15
Permits	155	-	155	272	117
Exam and certification	7	-	7	27	20
Interest	6	-	6	6	-
Inspections	1	-	1	1	-
	6,447	110	6,557	6,987	430
	19,062	**(250)**	**18,812**	**19,088**	**276**

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Resources, Wildlife and Economic Development					
Recoveries					
User	315	-	315	704	389
Publications	10	-	10	1	(9)
Capital contributions	-	-	-	145	145
	325	-	325	850	525
General Revenue					
Investment interest	1,600	-	1,600	1,119	(481)
Licenses	733	-	733	919	186
Fees	10	-	10	11	1
Stores	95	-	95	49	(46)
Permits	50	-	50	-	(50)
	2,488	-	2,488	2,098	(390)
	2,813	**-**	**2,813**	**2,948**	**135**
Total operations and maintenance	**$ 853,120**	**$ (76,910)**	**$ 776,210**	**$ 844,157**	**$ 67,947**

Government of the Northwest Territories

Schedule 2

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Legislative Assembly						
Office of the Clerk	$ 8,358	$ 437	$ -	$ 8,795	$ 8,663	$ 132
Expenditures on Behalf of Members	4,500	1,729	-	6,229	6,140	89
Office of the Chief Electoral Officer	522	6	-	528	391	137
Commissioner of Official Languages	488	7	-	495	445	50
Office of the Speaker	179	2	-	181	145	36
	14,047	**2,181**	**-**	**16,228**	**15,784**	**444**
Executive						
Executives Offices						
Cabinet Secretariat	11,179	110	(216)	11,073	9,802	1,271
Ministers' Offices	3,438	120	216	3,774	3,917	(143)
Public Utilities Board	401	5	-	406	192	214
Commissioner's Office	209	6	-	215	230	(15)
	15,227	241	-	15,468	14,141	1,327
Financial Management Board Secretariat						
Labour Relations and Compensation Services	10,316	(969)	18	9,365	7,746	1,619
Government Accounting	10,197	67	5	10,269	9,709	560
Directorate	6,866	62	(23)	6,905	7,523	(618)
Budgeting and Evaluation	1,215	40	-	1,255	1,435	(180)
Audit Bureau	1,169	39	-	1,208	1,129	79
	29,763	(761)	-	29,002	27,542	1,460
Aboriginal Affairs	6,782	1,834	-	8,616	7,867	749
	51,772	**1,314**	**-**	**53,086**	**49,550**	**3,536**
Finance						
Treasury	5,251	36	(25)	5,262	4,712	550
Directorate	1,185	51	125	1,361	1,346	15
Fiscal Policy	770	21	(100)	691	617	74
Bureau of Statistics	560	233	-	793	787	6
	7,766	341	-	8,107	7,462	645
Amortization of assets*	-	-	-	-	29	(29)
	7,766	**341**	**-**	**8,107**	**7,491**	**616**

*The amortization of the Liquor Commission Assets is not an appropriated item as it is an expense of the Liquor Commission Revolving Fund and not an expense of the Department of Finance. However the assets of the Liquor Commission belong to the Government and its amortization of tangible capital assets is included here for reconciliation purposes only.

Government of the Northwest Territories

Schedule 2
(continued)

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Municipal and Community Affairs						
Regional Operations	54,363	3,694	2,765	60,822	57,719	3,103
Directorate	5,612	22	90	5,724	5,434	290
Community Financial Services	4,057	27	(2,750)	1,334	842	492
School of Community Government	2,246	185	(250)	2,181	2,108	73
Lands Administration	2,084	350	(200)	2,234	2,203	31
Community Development	1,027	9	345	1,381	1,325	56
Community Governance	685	26	-	711	599	112
Emergency Services	676	170	-	846	837	9
	70,750	**4,483**	**-**	**75,233**	**71,067**	**4,166**
Public Works and Services						
Asset Management	32,645	820	(323)	33,142	33,045	97
Directorate	6,972	237	323	7,532	7,590	(58)
Petroleum Products	860	4,127	-	4,987	832	4,155
Systems and Communications	847	(80)	-	767	711	56
	41,324	**5,104**	**-**	**46,428**	**42,178**	**4,250**
Health and Social Services*						
Health Services Programs	103,465	5,186	3,308	111,959	111,182	777
Community Health Programs	50,955	1,831	382	53,168	51,780	1,388
Program Delivery Support	24,000	4,901	(1,324)	27,577	29,279	(1,702)
Supplementary Health Programs	13,396	-	(3)	13,393	14,137	(744)
Ministry and Corporate Services	8,066	657	(2,363)	6,360	6,292	68
	199,882	**12,575**	**-**	**212,457**	**212,670**	**(213)**
Justice						
Law Enforcement	19,621	203	(1)	19,823	19,637	186
Community Justice and Corrections	29,700	2,821	(21)	32,500	32,679	(179)
Registries and Court Services	8,917	1,071	(1)	9,987	9,881	106
Corporate Services	7,768	334	23	8,125	8,288	(163)
Legal Services Board	3,578	30	-	3,608	3,764	(156)
	69,584	**4,459**	**-**	**74,043**	**74,249**	**(206)**

*The Department of Health and Social Services overexpenditure relates to amortization, an non-cash expenditure for which a Supplementary Estimate will be requested in 2004.

Government of the Northwest Territories

Schedule 2
(continued)

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
NWT Housing Corporation	**48,981**	**505**	**-**	**49,486**	**49,486**	**-**
Education, Culture and Employment						
Education and Culture	121,722	8,748	724	131,194	131,172	22
Advanced Education and Careers	69,363	716	(724)	69,355	67,637	1,718
Directorate and Administration	4,818	115	-	4,933	5,289	(356)
	195,903	**9,579**	**-**	**205,482**	**204,098**	**1,384**
Transportation						
Airports	20,279	851	5	21,135	21,989	(854)
Highways	35,060	533	(442)	35,151	34,996	155
Corporate Services	7,579	166	527	8,272	7,980	292
Ferries	5,021	111	-	5,132	5,192	(60)
Motor Vehicles	2,652	182	(90)	2,744	2,806	(62)
Community Local Access Roads	587	174	-	761	517	244
Community Marine	227	8	-	235	256	(21)
	71,405	**2,025**	**-**	**73,430**	**73,736**	**(306)**
Resources, Wildlife and Economic Development						
Resource Management and Economic Development	35,597	516	192	36,305	36,688	(383)
Forest Management	28,686	210	(1,061)	27,835	23,318	4,517
Corporate Management	15,126	1,255	869	17,250	17,616	(366)
Environmental Protection	2,165	38	-	2,203	2,194	9
	81,574	**2,019**	**-**	**83,593**	**79,816**	**3,777**
Total operations and maintenance	**$ 852,988**	**$ 44,585**	**$ -**	**$ 897,573**	**$ 880,125**	**$ 17,448**

Government of the Northwest Territories

Schedule 3

Non-Consolidated Schedule of Recoveries of Prior Years' Expenditures

for the year ended March 31, 2003
(thousands of dollars)

DEPARTMENT	Over-Accruals	Recoveries of Valuation Allowances	Other Recoveries	Total
Legislative Assembly	$ -	$ -	$ 3	$ 3
Executive	210	15	24	249
Finance	-	148	(15)	133
Municipal and Community Affairs	30	-	93	123
Public Works and Services	64	16	127	207
Health and Social Services	1,032	-	(1,182)	(150)
Justice	2	106	104	212
Education, Culture and Employment	203	102	511	816
Transportation	13	54	138	205
Resources, Wildlife and Economic Development	132	-	42	174
	$ 1,686	$ 441	$ (155)	$ 1,972

Government of the Northwest Territories

Schedule 4

Non-Consolidated Schedule of Summary of Capital Acquisitions

for the year ended March 31, 2003
(thousands of dollars)

DEPARTMENT	Main Estimates	Supplementary Estimates	Total Appropriation	Actual Expenditure
Legislative Assembly	$ 225	$ 61	$ 286	$ 286
Executive	1,105	973	2,078	1,546
Finance	-	-	-	-
Municipal and Community Affairs	6,718	1,494	8,212	3,167
Public Works and Services	3,850	2,356	6,206	4,634
Health and Social Services	23,606	2,923	26,529	21,207
Justice	18,846	11,338	30,184	24,530
Education, Culture and Employment	14,506	2,216	16,722	6,136
Transportation	38,296	11,892	50,188	43,705
Resources, Wildlife and Economic Development	1,925	1,733	3,658	1,458
	$ 109,077	$ 34,986	$ 144,063	$ 106,669

Government of the Northwest Territories

Schedule 5

Non-Consolidated Schedule of Grants

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Women's Initiatives	$ 50	$ -	$ 7	$ 57	$ 57	$ -
Native Women's Association (grant in kind)	-	82	-	82	82	-
	50	**82**	**7**	**139**	**139**	**-**
Financial Management Board Secretariat						
Deton'Cho Diamonds (grant in kind)	-	-	-	-	**95**	**(95)**
Aboriginal Affairs						
Aboriginal Organizations	325	-	10	335	299	36
Metis Nation	225	-	-	225	199	26
	550	**-**	**10**	**560**	**498**	**62**
	600	**82**	**17**	**699**	**732**	**(33)**
Municipal and Community Affairs						
Community Government Funding	26,615	-	-	26,615	26,618	(3)
Grant in Lieu of Property Taxes	3,927	-	-	3,927	3,580	347
Additional Funding	2,956	442	-	3,398	3,291	107
Community Government Funding - Extraordinary Funding	1,925	-	250	2,175	2,076	99
Core Funding	295	-	-	295	201	94
Senior Citizens and Disabled Property Tax Relief	254	-	-	254	288	(34)
Sport North lease (grant in kind)	28	-	-	28	28	-
	36,000	**442**	**250**	**36,692**	**36,082**	**610**
Public Works and Services						
Management services for Rockhill Apartments (grant in kind)	260	-	-	260	260	-
	260	**-**	**-**	**260**	**260**	**-**
Health and Social Services						
Medical Profession	**100**	**-**	**-**	**100**	**50**	**50**

Government of the Northwest Territories

Schedule 5
(continued)

Non-Consolidated Schedule of Grants

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Justice						
Aboriginal Court Challenges	40	-	-	40	38	2
Law Bursaries	30	-	30	60	55	5
Canadian Association of Provincial Court Judges	3	-	2	5	3	2
National Justice issues	3	-	3	6	4	2
National Judicial Institute	-	-	-	-	1	(1)
	76	**-**	**35**	**111**	**101**	**10**
Education, Culture and Employment						
Student Grants	8,356	-	(490)	7,866	8,523	(657)
Community Broadcasting	52	-	-	52	52	-
Driver Training Building (grant in kind)	-	-	-	-	169	(169)
	8,408	**-**	**(490)**	**7,918**	**8,744**	**(826)**
Resources, Wildlife and Economic Development						
Fur Price Program	345	-	-	345	693	(348)
Small Business Grants	287	-	(82)	205	189	16
Fire Damage Compensation	100	-	(80)	20	3	17
Disaster Compensation Program	15	-	-	15	4	11
Humane Trap Development	5	-	-	5	-	5
	752	**-**	**(162)**	**590**	**889**	**(299)**
Total Operations and Maintenance	**$ 46,196**	**$ 524**	**$ (350)**	**$ 46,370**	**$ 46,858**	**$ (488)**

Government of the Northwest Territories

Schedule 6

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Status of Women Council	$ 299	$ -	$ -	$ 299	$ 299	$ -
Native Women's Association	186	-	-	186	186	-
National Aboriginal Achievement Awards	-	-	30	30	30	-
Native Women's Association - Needs Assessment	-	-	10	10	10	-
	485	**-**	**40**	**525**	**525**	**-**
Financial Management Board Secretariat						
Power Subsidy	7,180	-	-	7,180	6,566	614
Superannuation Costs - NTPC	939	-	-	939	637	302
Superannuation Costs - WCB	299	-	-	299	299	-
	8,418	**-**	**-**	**8,418**	**7,502**	**916**
Aboriginal Affairs						
Intergovernmental Forum	380	500	140	1,020	1,040	(20)
Self Government	20	-	100	120	120	-
Aboriginal Organizations	-	-	65	65	65	-
Devolution	-	500	-	500	497	3
	400	**1,000**	**305**	**1,705**	**1,722**	**(17)**
	9,303	**1,000**	**345**	**10,648**	**9,749**	**899**
Municipal and Community Affairs						
Water Sewer Services Subsidy Program	6,225	-	-	6,225	6,267	(42)
Infrastructure - Various Territorial	3,405	1,883	160	5,448	4,790	658
Core Funding	2,500	-	-	2,500	1,625	875
Sport and Recreation	1,275	-	155	1,430	1,404	26
Youth Initiatives	900	-	(120)	780	632	148
Community Development Fund	600	-	-	600	421	179
Transfer Payments (other Government departments)	344	50	-	394	386	8
Granular Materials	250	-	-	250	152	98
Regional leadership	187	-	-	187	65	122
Fire Training	90	-	-	90	79	11
Volunteer Development	20	-	-	20	14	6
	15,796	**1,933**	**195**	**17,924**	**15,835**	**2,089**
Health and Social Services						
Boards of Management	144,808	8,928	662	154,398	153,702	696
Recruitment and Retention	1,395	-	541	1,936	1,283	653
Community Services Support	384	-	208	592	638	(46)
Health Promotion (comm based prgms)	160	-	171	331	832	(501)
Health Promotion (authorities)	154	-	76	230	234	(4)
Health Awareness, Activities and Education	143	-	35	178	178	-
Policy and Legislation (NWT RNA)	-	-	30	30	15	15
	147,044	**8,928**	**1,723**	**157,695**	**156,882**	**813**

Government of the Northwest Territories

Schedule 6
(continued)

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Justice						
Community Justice	879	204	-	1,083	986	97
Legal Aid Clinics	300	-	-	300	300	-
Victims Assistance	250	-	-	250	250	-
Wilderness Camps	165	-	40	205	182	23
Community Constable Program	72	-	-	72	-	72
New Beginnings Alternate Program	-	-	60	60	55	5
	1,666	**204**	**100**	**1,970**	**1,773**	**197**
NWT Housing Corporation	**48,981**	**505**	**-**	**49,486**	**49,486**	**-**
Education, Culture and Employment						
Education Authority	99,934	-	1,976	101,910	102,421	(511)
College Contributions	22,340	-	536	22,876	22,772	104
Healthy Children Initiative	2,934	-	-	2,934	2,700	234
Literacy Funding	1,657	-	360	2,017	1,660	357
Early Childhood Program	1,559	-	-	1,559	1,334	225
Community Teacher Education Program	1,173	-	(99)	1,074	986	88
Language Communities	843	-	-	843	895	(52)
Community Income Assistance Delivery	714	-	(714)	-	-	-
NWTTA Professional Improvement Fund	667	-	-	667	678	(11)
Community Skills for Work	650	-	-	650	640	10
Oil and Gas Industry	450	-	100	550	737	(187)
Cultural Organizations	259	-	-	259	259	-
Community Library Services	194	-	-	194	190	4
Community Museums	186	-	-	186	196	(10)
Student Success Centres	180	-	-	180	180	-
NWT Employment Support Program	150	-	-	150	105	45
NWT Arts Council	140	-	-	140	139	1
Dene Language Programming	100	-	-	100	100	-
Native Communications	70	-	-	70	70	-
Cultural Projects	61	-	100	161	186	(25)
Northern Performers	36	-	-	36	35	1
Skills Canada NWT / NU	-	-	40	40	80	(40)
College development/infrastructure	-	130	-	130	130	-
College HEO Prg - equipment replacement - Fort Smith	-	400	-	400	145	255
Mildred Hall renovation	-	905	-	905	647	258
NorthWIN	-	-	50	50	50	-
	134,297	**1,435**	**2,349**	**138,081**	**137,335**	**746**
Transportation						
Community Local Access Roads	507	-	(50)	457	167	290
Community Marine	80	-	-	80	5	75
Airports	-	-	20	20	22	(2)
Corporate Services contributions	-	200	65	265	252	13
	587	**200**	**35**	**822**	**446**	**376**

Government of the Northwest Territories

Schedule 6
(continued)

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Resources, Wildlife and Economic Development						
NWT Development Corporation	3,450	-	-	3,450	3,450	-
Business Development Fund	1,529	-	(20)	1,509	1,301	208
Community Futures	1,132	-	(2)	1,130	1,143	(13)
Mackenzie Valley Development	1,070	-	(130)	940	931	9
Community Transfer Initiatives	969	-	104	1,073	968	105
Tourism Industry Marketing	921	-	-	921	921	-
Maximizing Northern Employment	500	-	479	979	951	28
Community Harvester Assistance Program	473	-	50	523	522	1
Commercial Fisheries Assistance	395	-	-	395	383	12
Western Harvester Support Program	392	28	-	420	420	-
Interim Resource Management Agreement	375	-	-	375	375	-
West Kitikmeot Slave Study	349	-	(262)	87	77	10
Energy Conservation	300	-	(60)	240	211	29
Arctic Energy Alliance	280	-	50	330	330	-
Local Wildlife Committees	258	-	-	258	251	7
Diavik Socio-Economic Agreement	250	-	(34)	216	215	1
Business Credit Corporation	154	-	-	154	97	57
Diamond Industry Funding	150	-	(137)	13	13	-
Hook Lake Bison Recovery	125	-	82	207	207	-
Northern Accord	105	-	(95)	10	10	-
Prospectors' Assistance Program	90	-	(18)	72	71	1
Wildlife Management Boards	78	-	(8)	70	70	-
Renewable Energy	50	-	46	96	81	15
Diavik Monitoring Agency	50	-	-	50	50	-
Mackenzie River Basin Board	36	-	4	40	40	-
Canadian Energy Research Institute	25	-	-	25	25	-
Great Northern Arts Festival	25	-	20	45	45	-
Support to Fur Industry	15	-	25	40	40	-
Corporate Management contributions	-	-	507	507	504	3
Tourism strategies	-	-	900	900	900	-
Resource Management contributions	-	-	684	684	618	66
NWT Metis Nation (Climate Change)	-	-	13	13	11	2
Forest Management Agreement contributions	-	-	25	25	25	-
Ecology North	-	-	10	10	10	-
Energy Secretariat contributions	-	-	213	213	207	6
	13,546	**28**	**2,448**	**16,020**	**15,473**	**547**
Total Operations and Maintenance	**$ 371,220**	**$ 14,233**	**$ 7,193**	**$ 392,646**	**$ 386,979**	**$ 5,667**

Government of the Northwest Territories

Schedule 7

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Purpose	Date of FMB Approval	Amount Authorized
Legislative Assembly			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.	18-Sep-02	$ 161
Executive			
Executive Offices			
	To provide funding for additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.	18-Sep-02	211
Financial Management Board Secretariat			
	To provide funding for additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.	18-Sep-02	419
Aboriginal Affairs			
	To provide funding for additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.	18-Sep-02	140
Finance			
	To provide funding for additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.	18-Sep-02	130
Municipal and Community Affairs			
	To provide funding for infrastructure contributions for the continuation of projects that were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/ 2002 fiscal year.	14-May-02	205
	Recreational Complex - Fort Providence 50 Water line/ Boiler Replacement - Hay River 64 Community Hall - Wha Ti 91 205		
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.	18-Sep-02	351
	To provide Infrastructure Contribution funding to the Town of Tuktoyaktuk for the reconstruction of a 6.2 kilometre road from the sewage lagoon to the airport in Tuktoyaktuk, which was severely damaged by industrial use.	26-Sep-02	1,300

Government of the Northwest Territories

Schedule 7
(Continued)

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Purpose	Date of FMB Approval	Amount Authorized
Public Works and Services			
To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.		18-Sep-02	563
Health and Social Services			
To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.		18-Sep-02	3,217
To fund the additional expenses to be incurred as a result of the recruitment and retention initiatives for health care professionals and social workers in the NWT. The fund was required at the time in order that the initiatives could be implemented in the 2002-03 fiscal year. These initiatives include:		26-Nov-02	419
Professional Development	701		
Health and Social Services Return of Service Bursary Program - Northern Students	595		
Health and Social Services Return of Service Bursary Program - Southern Students	100		
Staffing Mix and Job Evaluation	150		
Social Worker Mentorship Program	73		
	1,619		
Less Internal Reallocation	(1,200)		
New Funding Required	419		
Justice			
To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.		18-Sep-02	1,226
NWT Housing Corporation			
To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.		18-Sep-02	279
Education, Culture and Employment			
To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.		18-Sep-02	1,772

Government of the Northwest Territories

Schedule 7
(Continued)

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Purpose		Date of FMB Approval	Amount Authorized
Transportation				
	To provide funding to complete a technical/engineering review, financial review, economic impact and cost benefit analysis, and a toll review in support of the Fort Providence Combined Council Alliance proposal respecting the Deh Cho Mackenzie River Bridge project at Fort Providence. These analysis are required to determine the soundness of the bridge proposals, identify issues for negotiation, consider the allocation of risk and ensure the NWT is in the best position to gain value for money.		10-May-02	200
	To provide contribution funding to the Fort Providence Combined Council Alliance for further development of the Deh Cho Mackenzie River Bridge project, including: • initiate detailed discussions/negotiations with the GNWT, • seek federal government approval-in-principle and a matching contribution, • further detail the project plan and approach, • establish the 'Bridge Corporation' and identify source of shareholder equity, and • initiate the environmental assessment and approval process.		10-May-02	200
	To provide funding for infrastructure contributions for the continuation of projects that were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.		14-May-02	174
	Aklavik Trail to Richardson Mountains	74		
	Tsiigehtchic Scenic road	50		
	Tuktoyaktuk Access Road to Gravel Source	50		
		174		
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.		18-Sep-02	758
Resources, Wildlife & Economic Development				
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the Government of the Northwest Territories and the Union of Northern Workers.		18-Sep-02	956
Total Operations and Maintenance				$ 12,681

Government of the Northwest Territories

Schedule 7
(Continued)

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2003
(thousands of dollars)

CAPITAL	Purpose		Date of FMB Approval	Amount Authorized
Executive				
Financial Management Board Secretariat				
To provide funding for the continuation of work required on the Integrated Document Management System. The project was not completed in the 2001/2002 fiscal year.			14-May-02	$ 36
Municipal and Community Affairs				
To provide funding for the continuation of projects which were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.			14-May-02	1,872
	WTP - Aklavik	70		
	Water/Sewage Waste - Colville Lake	15		
	Water/Sewage Waste - Enterprise	20		
	Water Supply Improvements - Ft. McPherson	54		
	Expand Sewage Lagoon - Ft. Providence	84		
	Garage - Ft. Resolution	20		
	Community Office - Wrigley	64		
	Water/Sewage Waste - Jean Marie River	22		
	Fire Hall - Nahanni Butte	261		
	WTP - Rae Edzo	101		
	W/S - Rae Edzo	50		
	Solid Waste Site - Rae Edzo	31		
	Solid Waste Site - Rae Lakes	99		
	Community Hall - Rae Lakes	305		
	Parking Garage - Trout Lake	35		
	Community Hall - Jean Marie River	20		
	Community Hall - Trout Lake	14		
	Solid Waste Site - Tuktoyaktuk	23		
	Water Intake - Tulita	410		
	W/S - Wha Ti	97		
	W/S - Wrigley	65		
	Water Supply Improvements - Hay River Reserve	12		
		1,872		
Public Works and Services				
To provide funding for the continuation of work required on the Laing Building Upgrade. The project was not completed in the 2001/2002 fiscal year.			14-May-02	1,125
To provide funding for the continuation of projects which were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.			14-May-02	595
	Fuel Delivery Truck - Paulatuk	67		
	Fuel Delivery Truck - Wekweti	75		
	Gas Capacity - Rae Lakes	13		
	Diesel Capacity - Deline	159		
	Tank Farm - Colville Lake	15		
	Storage Capacity Upgrade - Holman	216		
	Tank Farm - Sachs Harbour	7		
	Diesel Capacity - Trout Lake	3		
	Aviation Facility	40		
		595		

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2003
(thousands of dollars)

CAPITAL	Purpose	Date of FMB Approval	Amount Authorized
Public Works and Services (continued)			
	To fund capital investment expenditures for the emergency purchase of a new fuel delivery vehicle for the community of Paulatuk. The former fuel delivery truck was destroyed by fire.	19-Dec-02	250
Health and Social Services			
	To provide funding for the continuation of projects which were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.	14-May-02	930
	Health Suite 120 Telehealth Site Expansion 84 NHIM Replacement 105 Vital Stats Replacement 60 Health Centre Replacement - Aklavik 427 Fort Smith Health Centre - Chiller 5 Tulita Health Centre 57 Fort Liard Health Centre - Mechanical Upgrade 36 Fort Smith Health Centre - X-ray Equipment 36 930		
	To provide funding for the continuation of work required on the Trailcross Diagnosis and Treatment Centre. The project was not completed in the 2001/2002 fiscal year.	14-May-02	228
	To fund additional capital investment expenditures required for the Inuvik Hospital. The additional costs are for: (1) Hardware costs for network systems and data transmission to facilitate transmission requirements for electronic patient files, digital x-rays, digital ultra sounds and digital mammography ($189,000) and (2) an Oxygen Concentrator ($310,000).	19-Dec-02	499
	2002/2003 / 2003/2004 / Total Current Cashflow 18,000 / 1,177 / 19,177 Carryover from 2001/2002 191 / - / 191 Additional Funding 499 / - / 499 Revised Cashflow 18,690 / 1,177 / 19,867 Add Prior Year Costs / / 24,015 Total Revised Estimate for the Project / / 43,882		
Justice			
	To provide funding for the continuation of work required on the LAIS Computer System. The project was not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.	14-May-02	20
	To provide funding for the continuation of projects which were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.	14-May-02	10,536
	Courthouse Renovations 1,100 Document Imaging 98 North Salve Correctional Centre 8,413 COMS Computer System 46 Inuvik Young Offenders Facility 879 10,536		

Government of the Northwest Territories

Schedule 7
(Continued)

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2003
(thousands of dollars)

CAPITAL	Purpose		Date of FMB Approval	Amount Authorized
Education, Culture and Employment				
To provide funding for the continuation of projects which were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.			14-May-02	2,186
Aurora College - NUP		229		
Thebacha Campus - Paving/Landscaping		33		
Lahm Ridge Tower First Floor Renovations		51		
Aurora College - Inuvik		447		
Sir John Franklin High School		139		
Princess Alexandra School Renovations		233		
Sir Alexander Mackenzie Renovations		15		
Mildred Hall School Renovations		85		
PWNHC Renovations		607		
Lutsel K'e Minor Renovations		84		
DCN Support-Schools		263		
		2,186		
Transportation				
To provide funding for the continuation of projects which were not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.			14-May-02	6,854
ATB - Hay River		33		
ATB - Wha Ti		147		
ATB - Fort Simpson		251		
ATB - Aklavik		194		
Runway - Inuvik		150		
Parking Lot and Access Road - ATB Inuvik		375		
Garage - ATB Inuvik		482		
ATB - Tulita		337		
Runway - Tulita		599		
Airport Lighting - Sachs Harbour		145		
Safety Fencing - Sachs Harbour		60		
Safety Fencing - Tuktoyaktuk		65		
Safety Fencing - Holman		55		
Highway #4: km 0 - 69		2,450		
Highway #3: km 243 - 333		1,511		
		6,854		
To provide funding for the continuation of work required on the Motor Vehicle System Upgrade. The project was not completed in the 2001/2002 fiscal year. An offsetting amount was lapsed in the 2001/2002 fiscal year.			14-May-02	382
To fund additional capital investment expenditures for the Yellowknife Airport Renovation and Expansion project to include improvements required for new preboarding screening equipment. The total revised estimated cost for the project is $540,000, as follows:			19-Dec-02	335
Amount approved for 2002/2003		205		
Additional funding		335		
		540		
Total Capital				$ 25,848
Total Special Warrants				$ 38,529

Government of the Northwest Territories

Schedule 8

Non-Consolidated Schedule of Inter-activity Transfers over $250,000

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Transfer to (from)	Explanation
Municipal and Community Affairs		
Community Financial Services	$ (250)	To transfer appropriations from Community Financial Services to provide the Hamlet of Fort McPherson additional funding for water delivery services.
Directorate	250	
Sport Recreation & Youth	345	Transfer of surplus funds for Youth and Recreation Contribution Programs.
School of Community Government	(250)	
Regional Operations	(95)	
Health and Social Services		
Ministry and Corporate Services	(2,176)	Funding transfers made in July 2002 for departmental organizational changes resulting from the implementation of the NWT Health and Social Services System Action Plan, 2002-2005.
Program Delivery Support	2,239	
Community Health Programs	(63)	
Ministry and Corporate Services	(187)	Funding transfers made in November 2002 for departmental organizational changes resulting from
the		
Program Delivery Support	(81)	implementation of the NWT Health and Social
Services		
		System Action Plan, 2002-2005.
Community Health Programs	355	
Health Services Programs	(87)	
Program Delivery Support	(3,483)	To transfer appropriations to Health Services Programs for funding received in 2002-2003 Supplementary Appropriation #1 to fund 60% of Authorities accumulated deficits as at March 31, 2001.
Health Services Programs	3,395	
Community Health Programs	88	Transfer from Program Delivery Support ($3,483) less a transfer to Community Health Programs for Home Care medical supplies and dental therapy supplies and equipment ($88)
Education, Culture and Employment		
Education and Culture	(536)	To transfer funding to Aurora College for its portion of the Special Warrant funding for the finalization of a Collective Agreement between the GNWT and the Union of Northern Workers.
Advanced Education and Careers	536	

Non-Consolidated Schedule of Inter-activity Transfers over $250,000

for the year ended March 31, 2003
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Transfer to (from)	Explanation
Education, Culture and Employment (continued)		
Advanced Education and Careers	(650)	To transfer projected Income Support surplus funds to the Education & Culture to fund a shortfall in Schools Contributions.
Education and Culture	650	
Advanced Education	(500)	Transfer projected Income Support surplus to the Education & Culture activity to fund a shortfall in Schools contributions.
Education & Culture	500	
Resources, Wildlife and Economic Development		
Forest Management	(399)	To transfer projected Fire Suppression surplus funds to Corporate Management for the departmental Maximizing Northern Employment initiative - Aboriginal Government / Private Sector Partnerships.
Corporate Management	399	
Forest Management	(400)	To transfer projected Fire Suppression surplus funds to Corporate Management for the MacKenzie Valley Development Project.
Corporate Management	400	
CAPITAL INVESTMENT		
Municipal and Community Affairs		
Community Financial Services	(1,660)	To allocate funding approved for community water/sewer projects, as follows:
Regional Operations	1,660	
		Truck Fill Station (Fort Good Hope) 40
		Intake Planning Study (Fort Resolution) 50
		Utilidor Repairs (Fort McPherson) 50
		Storage Capacity (Fort Liard) 60
		Kudlak Lake Evaluation (Tuktoyaktuk) 70
		Reservoir and Pumphouse (Rae) 75
		Sewage Holding Vault Upgrade/Lift Station (Rae) 75
		Intake/Truck Fill Upgrades (Lutsel K'e) 95
		Sewage Holding Vault Upgrade (Rae) 100
		Sewage Lagoon Desludging (Rae) 100
		Restore Intake (Sachs Harbour) 120
		Water Treatment Plant Study (Colville Lake) 160
		Garage for Raw Water Trucks (Fort McPherson) 250
		Reservoir Upgrade (Jean Marie River) 415
Community Health Programs	(500)	To transfer funding from the Nats'ejeek'eh Alcohol and Drug Treatment Centre project (Hay River Reserve) for roof repairs at the Fort Smith Health Centre and the Technical Status Evaluation and Master Development Plan for the Stanton Regional Health Authority.
Health Services Programs	500	

Government of the Northwest Territories

Schedule 9

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities

for the year ended March 31, 2003
(thousands of dollars)

	Year of Maturity	Interest Rate	Original Amount	Principal Balance March 31, 2002	New Loans	Principal Repayments	Principal Balance March 31, 2003
Municipality of Fort Smith							
43 Personal care facility, amalgamation of debentures #39 and #41	2026	11.27	$ 2,765	$ 2,711	$ -	$ 77	$ 2,634
			2,765	2,711	-	77	2,634
Municipality of Fort Simpson							
6 Fire hall addition; refinance debenture #5	2006	9.00	136	59	-	11	48
7 Fire truck and alarm system	2008	9.00	67	36	-	5	31
8 Wildrose Acres sub-division	2007	6.50	150	50	-	50	-
			353	145	-	66	79
			$ 3,118	$ 2,856	$ -	$ 143	$ 2,713

Government of the Northwest Territories

Schedule 10

Schedule of Other Long-term Receivables

for the year ended March 31, 2003
(thousands of dollars)

	Principal Balance March 31, 2002	New Loans	Principal Repayments	Principal Balance March 31, 2003
Agreements for sale	$ 179	$ -	$ 50	$ 129
Deton'Cho Corporation	-	2,600	-	2,600
	$ 179	**$ 2,600**	**$ 50**	**$ 2,729**

Government of the Northwest Territories

Schedule 11

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2003

ACCOUNTS RECEIVABLE WRITTEN OFF

Municipal And Community Affairs	
Northern Pork Ltd.	$ 9,868
Transportation	
Greg Shortz Trucking	1,788
Williams Aero Service	974
	2,762
Education, Culture and Employment	
Arrowmaker, P.	1,941
Beaverho, B.	3,005
	4,946
Total Accounts Written Off Over $500	17,576
All Departments - Other Miscellaneous Accounts Less Than $500	72,815
Accounts Forgiven, Not Previously Written Off	10,826
Total Accounts Receivable Written off	101,217

STUDENT LOAN FUND

Abraham, W.	2,959
Altiman, R.	840
Anthony-Wiseman, D.	3,535
Beaverho, L.	7,500
Behrends, M.	5,200
Brown, D.	3,386
Burton, D.	1,894
Campbell, A.	798
Clark, H.	6,060
Clarke, S.	6,583
Colles, W.	3,638
Cook, W.	2,381
Courtoreille, L.	1,625
Craik, R.	10,695
Crook, D.	2,553
Cullen, L.	8,000
Donaldson, R.	4,800
Dowling, K.L.	4,506
Dryneck, R.	4,946
Dyke, S.	9,955
Ebbinghoff, C.	4,318
Edwards, J.B.	3,277
Ellis, S.	13,314
Ellis-Cronin, S.	5,398
Fairlie, J.	1,176
Fiendell, C.	1,260
Foltyn, J.	2,200
Geno, W.	3,850
Grant, K.	4,312
Hall, G.	6,850
Harris, H.	1,600
Student Loans (continued)	
Haslam-Bremermann, S.	6,895
Hathaway, W.	4,678
Illes, A.	4,400
Irvine, S.	7,210
Johnson, M.	6,592
Johnson, P.	2,600
Johnson, R.	280
Kilpatrick, C.	9,900
Kirby, A.	1,500
Kobasiuk, D.	28,961
Krushelniski, J.	12,835
Laurence, I.	6,080
Leishman, C.	7,263
Leonardis, A.	2,805
Leonardis, A.	2,805
L'Hommecourt, J.	6,200
Mantla, R.	13,875
McCloskey, J.	17,472
McInnes, S.	3,521
McNeely, W.	1,011
Monti, R.	4,744
Moosenose, A.	7,500
Murdock, V.	9,208
Nessel, L.	4,810
Nguyen, H.D.	4,744
O'Hare, K.	5,404
Paul, D.	1,855
Paul, D.	1,855
Plamondon, V.	2,805
Sabourin, D.	4,507
Saupitty Piche, M.	2,605
Tambour, V.	1,756
Thomas, I.	25,200
Thomas, L.	25,039
Townsend, T.	3,252
Total Student Loans Written Off	391,576
Student Loan Interest Written Off	108,860
Total Accounts and Loans Written Off	$ 601,653

FORGIVENESS

Accounts Forgiven, 2002 / 2003 Forgiveness	$ 218,518

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2003

STUDENT LOAN REMISSIONS

Under the Student Financial Assistance Regulations, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans.

Aho, Nancy Marie	$ 1,293	Cran, Rick L.	6,427
Alexander, Lisa	4,603	Cunningham, Andrew J.	2,872
Allard, James Charles (Jr)	3,814	Curran, Eletha Ann	2,424
Ambrose, Clint Michael	3,415	Curran, Peter George	3,130
Amyotte, Sylvain	2,576	Currie, Shelley L.	1,682
Ashton, Toderick Ralph	8,011	Currimbhoy, Adil Afzal Jr.	709
Avery, Bradley Peter F.	1,120	Cymbalisty, Kevin Andrew	3,167
Avery, Mark	2,868	Dam, Yen	2,126
Ballard, Sarah Nicole	4,592	Davenport, Michael John	2,100
Barnes, Rhiana	2,400	Day, Clara	4,050
Baron, Lisa Michelle	921	Dean, Liam James	3,792
Baryluk, Steven Donald	1,326	Deans, Keith J. R.	11,179
Baumann, Wolfgang Sr.	6,004	Degrow, Azure	1,184
Bawtinhimer, Karyne	1,840	Demarcke, Pennie	1,871
Bennington, Christopher Edward	5,195	Desfosses, Suzanne	3,310
Bergman, Jennifer A.	4,811	Desilets, Angela Elizabeth	1,425
Bergman, Kim Marie	3,500	Desjarlais, April Dale	4,088
Bertolini, Alessandro (Alex)	3,452	Dillabough, Su-Ellen M.	1,962
Besarra, Patrick Vendiola	3,178	Douglas, Mary Theresa	4,307
Blake, Corinne	2,378	Doyle, Carolyn Mary	2,839
Blesse, Lida	3,606	Drescher, Micheal Allen	8,160
Boettger, Darcy	2,422	Duchesne, Mary Anne	10,708
Bourke, Edith	6,653	Duggan, Moira Lynn	4,176
Bourke, Shauna	1,293	Dumont, Melanie R.	959
Bourque, Mary	6,455	Dunbar, Christopher Gordon	1,754
Boyer, Craig Joseph	3,770	Dunbar, Scott R.	1,118
Brissette, Nicanora	802	Dunn, Daniel Joseph	3,847
Broadhead, Leah S.	3,979	Duong, Diep T.	1,732
Brown, Tara Camile	6,642	Duong, Kim Thi Thien	3,485
Brown, Tawna C.	2,872	Edwards, Gladis	6,839
Brumwell, Lindsay E.	1,183	Elias, Charlene	5,000
Bryant, Tracey	3,737	Elliot, Gordon S.	1,600
Butz, Allison Jessica	3,058	Enge, Audrey	1,249
Byrne, Norman	3,200	Epp, Amanda M.	3,694
Cadieux, Anne M.	1,644	Erasmus, Eileen	3,726
Campbell, Carron Leah	2,755	Fair, Saro E.	3,167
Campbell, Jessie	3,018	Falconer, Kim Allana	833
Campbell-Rogers, Paula C.	4,400	Farrow, Justine	1,767
Carr, John William	4,647	Fedun, Amanda Denise	2,696
Carrol, Martin	6,192	Feil, Leah	4,373
Carthew, Christopher W.	1,074	Feil, Wendy L.	3,562
Carthew, Kirsten C.	2,313	Feltham, April Lynn	3,200
Chalifoux, Brenda Eileen	3,537	Fillion, Darren R.	2,800
Charlebois-Heide, Susan J.	2,028	Finnamore, Matthew	2,822
Chatman, Jeremy Wade	3,150	Fiume, Maryland	1,348
Chisholm, Kelli C.	4,400	Forbes, Crystal Faith	1,052
Christensen, Julia Blythe	1,381	Frano, Marek	1,710
Christison, Jana	3,562	Fraser, Wendy	647
Cheung, William	3,573	Freeland-Ballantyne, Erin Amelia	1,425
Clark, Brett E.	1,600	Freund, Hardy	1,469
Comber, Betty-Lou	4,296	Froese, Jason Leonard	3,150
Comin, Wade	4,491	Froese, Tiffany O.S.	3,913
Connolly, Gregory Guy	3,308	Gau, Robert John	5,243
Connors, Thomas Joseph	2,255	Gebauer, Lindsey C.B.	7,650
Costache, Monty John	11,037	Ghaleb, Farook	2,981
Cottam, Marlene Gladys	4,933	Gill, Paul	534
Couturier, Marie Patricia	5,391	Gonzales, Raymond	1,282
Cox, Marian	2,926	Goodliffe, Martin	2,850
Coyne, Mary L.	5,085	Gostick, William A.	5,907
Craig, Crystal	857	Gourlay, Freyja	1,359

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2003

STUDENT LOAN REMISSIONS (continued)

Gow, Michelle S.	1,319	King, Clifford David	923
Green, Helen M.	4,143	King, Patricia Michelle	4,987
Greene, Jason L.	4,060	Kirbyson, Holly Carol	1,523
Greenland, Angela Rose	4,979	Kolesnichenko, Patricia	3,014
Greenland, Heather Cheryl Marie	4,253	Kruse, Lesley Corinne	2,258
Griffore, Tanya Monette	6,143	Ladd, Sharon Alice	2,200
Groenewegen, James Jeffery Robert	614	Lafoy, Heather Marie	3,902
Grundy, Lindsay	3,398	Lafreniere, Holly E.	3,759
Guinan, Derran Patrick	675	Lansdown, Darcy	6,697
Ha, Nguyen Tho Nguyet (Lisa)	1,315	Larocque, Michelle D.	4,351
Halldorson, Travis Micheal	800	Lavoie, Arlene Theresa	2,800
Halupa, Faro S.	1,447	LeBlanc, Phillippe P.	1,556
Hamilton, Lisa	3,156	Lee, Nahum Daniel	2,280
Hammond, Andrew Norton	2,246	Legler, Michelle E.	4,987
Handley, Patricia	3,918	Lehmann, Marc	3,102
Hanson, Marlo Jean	1,370	Lennie-Misgeld, Jan Peter	1,534
Harbicht, Kim	2,414	Leonardis, Bonita	7,200
Harker, Brooke Jason	1,995	Leonardis, Monica Lynn	4,888
Harney, Kami Jennifer	1,556	Li, Vincent	1,666
Hart, Robert Francis	1,737	Lorenzen, Laura	6,094
Hartery, Bruce Edward	4,063	Lovely, Sherry	3,694
Hartlen, Tracey	4,537	MacBride, Patrick Joseph	1,753
Hayes, Sharon Elizabeth	1,765	MacDonald, Erin Katherine	539
Hayward, Trent Ronald	3,978	MacDonald, Ian Andrew	2,624
Healy, Damien P.	5,447	MacEachern, Camilla Dawn	5,217
Heins, Shane Alexander	5,600	MacLean, Ronald D.	3,986
Henry, Mark	1,140	MacLellan, Karen Martha	1,721
Heron, April	1,578	MacLennan, Sheena Lynne	4,169
Hibbs, Andrew Robert	954	Mager, Raegan Charmaine	7,600
Hill, Catriona	1,381	Maguire, Joanna Patricia	5,146
Hill, William Robert Duncan	2,973	Malloy, Kimberly Dawn	3,978
Hodgkins, Sarah Louise	6,979	Mangold, Dorothea	3,606
Hogan, Bernard Michael	792	Mann, Inderjit (Cindy)	4,400
Hopkins, Margo	7,596	Mantla, Therese	4,954
Horn, Jeffrey Scott	2,700	Marie, Susan J.	3,339
Houghton, David J.	2,696	Marinic, Anna	4,537
Howie, Jennifer Florence	1,197	Marshall, Sean	4,570
Hoyles, Jaime N.	6,225	Matchett, Darrell J.	2,813
Hrynyshyn, James L.	899	Matthews, Ioan Patrick	3,617
Hubert, Andrew	988	Maund, Corey James	1,052
Hurley, Lisa	2,017	McCabe, Maureen	1,191
Huynh, Dang	3,781	McCabe, Stephanie Nicole	2,800
Huynh, Long H.	709	McCagg, Natasha	2,249
Huynh, Tho	3,398	McCagg-Nystrom, Heather	1,377
Hval, Ashley-Ann Noel	3,211	McCallum, Christopher Arnold	2,216
Hval, Lora Cheryl	6,216	McCann, Shawn Margaret	7,680
Jacklin, Truman B. L.	849	McCann, Tim Richard	4,526
Jarvis, Norma J.	2,600	McCordic, Frederick O.	3,441
Johnson, Dale Bradley	6,291	McDaniel, Gabriel James	2,718
Johnson, Karen Jean	1,754	McGregor, Fiona Jayne	778
Johnson, Shelley Ann	3,857	McIsaac, Francis James	1,425
Johnston, Dale J.	1,863	McKay, Cheryl I.	520
Jones, Andrew Morgan	1,578	McLachlan, Corey A.	5,392
Jones, Leslie-Anne	1,827	McNeice, Julie A.	4,400
Jones, Nicola	1,655	McNeil, Crystal M.	4,603
Kaesar, Christina	1,403	Metcalfe, Johnathan T.	4,757
Kailek, Shelley	4,516	Mitchener, Darryl T.	1,778
Kasteel, Trevor James	3,989	Mohr, Erin	3,200
Kaye, Annie	9,852	Monroe, Elizabeth A.	4,077
Kelly, Allicia P. L.	4,735	Mulders, Annemieke Aurora	1,603
Kenny, Irene M.	2,576	Murphy, Chris M.	2,893
Kenny, Phoebe	3,858	Muyres, Lesley	3,452
Keppel, Richard	1,511	Napier, Colleen	1,673
Keyes, Mary Katherine	2,937	Naugler, Tara	1,841

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2003

STUDENT LOAN REMISSIONS (continued)

Navratil, Crystal	4,581	Smith, Glenn Norris	3,321
Nelson, Margaret	4,316	Smith, Heather D.	2,258
Nendsa, Norman F.	3,409	Smith, Peter Douglas	3,266
Nickerson, Leanne C.	3,200	Smith, Steve	2,017
Nielsen, Sandra Celine	6,697	Snodgrass, Trenton Charles	1,400
Nielsen, Stephen	5,200	Snyder, Alana D'Lee	1,246
Nitsiza, Eva	10,000	Sprecher, Dawn	6,783
Nowak, Kristin	5,200	St. Germaine, Vicki	4,500
Nyyssonen, Erika	3,277	St. Julian, Chase Allen	2,543
Oake, Dean R.	4,461	Stevens, Kelly J.	6,201
O'Connor, Colleen K.	8,845	Stewart, Andrew Laird	3,694
Oosenbrug, Joslyn Doherty	1,206	Stewart, Bruce W.	4,297
O'Rourke, Erin Dianne	4,691	Stewart, Meghan Ann	3,310
Osted, Katherine Elise	2,214	Stinson, Starr	2,893
O'Toole, Christine N. E.	4,757	Stoodley, Gary E.	6,700
Otto, Matthias Paul Anton	9,489	Strain, Darin	6,276
Oxford, Andrew	4,400	Straker, Benji	3,441
Parchoma, April Richeal	2,200	Straker, Evelyne C.	3,321
Parchoma, Elyse Andrea	1,786	Stringer, Jeremy J.	1,041
Pascal, Olive	1,129	Stryde, Richard Steadman	3,332
Patterson, Gloria Rashid	2,102	Sundberg, Jill N.	3,485
Penkala, Matthew W.	2,718	Swallow, Michelle	3,113
Perraud, Patrick Worrall	5,535	Swartzentruber, Shannon C.	2,633
Peterson, Karla Leone	2,740	Tessema, Abemelek Getachew	1,337
Pilon, Jonathon Conrad Jr	3,430	Thai, Tuan	1,142
Pilote, Serge J. P.	5,200	Tolley, Charles Henry	5,239
Pin, David A.	1,469	Tomkins, Lee-Anne Michele	1,804
Pond, Cory	1,813	Turner, David James	510
Posynick, Jon	2,565	Van Dyke, Benjamin D.	3,200
Powell, Christopher William	1,879	Van Metre, Kimberley	5,535
Praamsma, Jennifer	4,975	Van Zwanenburg, Ted	4,400
Prescott, Ann Loraine	927	Vaughan, Helen	7,058
Purchase, Kathleen E.	3,131	Vermillion, Misty L.	4,680
Pye, Deanne M.	1,754	Villebrun, Henry	3,816
Ramm, Michelle R.	2,389	Vivian, Krista M.	1,498
Ransom, Angela Catherine	567	Waddell, Robert James	2,411
Readman, Niada L.	4,318	Wagner, Nicole Shannon	2,861
Reid, Stacy C.	4,800	Walsh, Janice Renee	2,630
Reynolds, Theresa R.	997	Walsh, Kerry Ann	10,976
Riddell, Sara D.	4,362	Ward, Tracey L.	4,647
Robertson, Scott	1,337	Wasyikiw, Tasha	5,064
Robinson, Craig Robert	4,296	Waugh, Tracy M.	4,066
Robles, Alexandra Rowena	4,121	Webb, Christine M.	1,304
Rose, Erin Kelly	3,162	Westcott, David Michael	936
Rose, Kent Charles	2,389	Wettig, Darren Stewart	3,748
Ross, Craig Stanley	2,200	Whitehead, Kevin P.	4,581
Round, Coralee Dawn	7,760	Wilkinson, Jennifer	4,165
Rouse, William	7,310	Willms, Wendy	2,411
Ruddick, David E.	4,209	Wilson, Brandy Ann	4,526
Rudkevitch, Darwin	7,606	Windle, Sarah Emily	1,534
Scantland, Tanya F.	3,496	Wood, Quintin D.	3,102
Schauerte, Gary Steven	1,501	Woodham, Matthew James	2,466
Schauerte, Tina Marie	3,537	Woods, Graeme	3,025
Selinger, Mindy Dawn	1,085	Worsley, Debra A.	3,046
Semjanovs, Roslyn C.	1,973	Wourms, Jill	7,727
Shannon, Christina F. E.	2,532	Wowk, Jeffrey	4,800
Shea, Cherie	3,044	Wowk, Meagan Elizabeth	4,154
Silverthorn, John H.	5,000	Wyse, John William Micheal	7,398
Sluggett, Michael W.	3,121		
Smith, Angeline M. B.	2,466		
Smith, Bernard Archibald	1,780	Total loan remissions over $500	1,246,157
Smith, Clinton G.	1,249	Miscellaneous remissions under $500.	5,365
Smith, D. Bruce	2,492	Total loan remissions	$1,251,522

Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off

for the year ended March 31, 2003

Executive	
Reed, Shawn	$ 669
	669
Municipal and Community Affairs	
Camsell, Ernie	123
Francis, John James	200
Gardebois, Clarence	1,493
Gonet, John	150
Horassi, George	155
Weyallon, Leon	148
	2,269
Public Works and Services	
Audla, Anthony	24
Green, Peter	50
McLeod, Ellen N.	800
Menicoche-Moses, Lorayne	5,278
Mid Town Market	60
Nowdlak, Nancy	25
	6,237
Health and Social Services	
Blake, Arthur	70
Buckley, June	267
Butz, Paula	100
Doyle, Diane, Estate of	46,688
Hann, S. Gerald	878
Martineau, Brian J.	50
Plamondon, Noel	98
Poole, Stephanie	93
Wasserman, Eugene	121
	48,365
Justice	
Desjarlais, Yvonne	455
	455
Education, Culture and Employment	
Aissaoui, Annie	1,200
Beaverhoe, Louisa	548
Beckwith, Melinda Hazel	88
Billotsoton, George	2,420
Blanchard, Constance	520
Bugg, Steven Brent	1,407
Burton, Deborah	25
Callaghan, Shari Anne	15
Daniels, Kevin	162
Dook, Margaret	424
Dyck, Carol Ann	879
Falsnes, Oliver	48
Francis, Ernie G.	975
Gargan, Sandra	265
Hall, Glenn J.	1,623
Henderson, Chris (Luther)	489
Irvine, Simone Renee	50
Lamalice, Ricky James	84
Larabie, Dianne	1,235
Loutitt, Charlotte Rose	418
Mackeinzo, Ronald Bobby	996
Marsollier, Clinton	35
Marten, Marlyn	4,216

Education, Culture and Employment (continued)	
McKay, Darryll James	1,045
McKay, Michelle Therese	4,965
Mercredi, Joe	104
Michel, Diane G.	22
Michel, Pauline	831
Modeste, Andrew	700
Moore, Cheryl	2,450
Nayally, Karl	201
Nguyen, Hoang Dung	1,161
Nitsiza, Eva	13,536
Obyrne, Ruby	981
Palvialok, William	135
Paul, David Brendan	184
Piche, Monika	31
Plamondon, Margaret	480
Pomfrey Gary Bryan Douglas	7
Ruben, Ruby Ann	207
Saint, Jay A.	600
Sanguez, Stanley	415
Simard, Michelle Brandy	3,771
Stewart, Kurt Alexis	166
Suziecho, Andrew	62
Tavalok, Abel	789
Thomas Lee Jeannette Reina	530
Tricoteux, Bradley Ray	192
Wahshee, James Jason	455
Yakelaya, Raymond	300
	52,442
Resources, Wildlife and Economic Development	
Bonnetplume, Ernest	49
Brule, Vital	121
Inglangasuk, Ida	42
Komangapik, Kitty Panikpak	2,386
Lafferty, Jonas	26
Marcus, Ruben	16
McLeod, Mike	16
Tailbone, George	50
	2,706
Total Debts Recovered	$ 113,143

Government of the Northwest Territories

Schedule 13

Non-Consolidated Schedule of Overdue Travel Advances

as at March 31, 2003

Overdue travel advances represent travel advances which have not been accounted for by an expense claim within 10 working days of the return date given on the travel authorization.

Justice	
Cli, Cheryl May	$ 375
Debastien, Matilda Mary	140
Edgi, Violet	300
Ouellette, Darrel J.	300
Tourangeau, Donald M.	200
Tuccaro, Raymond	453
	1,768
Transportation	
Forrest, Kevin Gordon	85
Hamilton, Roy	500
Lafrance, Michel	2,500
Murphy, Stephen R.	227
Poirier, George Maurice	265
	3,577
Total overdue travel advances	$ 5,345

Non-Consolidated Schedule of Lease Commitments

for the year ended March 31, 2003
(thousands of dollars)

		2004	2005	2006	2007	2008	2009-2020	Total
Yellowknife	Commercial	$ 7,636	$ 6,566	$ 5,657	$ 3,488	$ 3,071	$ 8,282	$ 34,700
	Residential	295	295	295	296	227	370	1,778
		7,931	6,861	5,952	3,784	3,298	8,652	36,478
Fort Smith	Commercial	1,528	1,145	1,140	1,031	762	3,741	9,347
		1,528	1,145	1,140	1,031	762	3,741	9,347
Inuvik	Commercial	1,136	1,053	711	640	463	1,821	5,824
	Residential	344	344	344	340	317	1,748	3,437
		1,480	1,397	1,055	980	780	3,569	9,261
		$ 10,939	$ 9,403	$ 8,147	$ 5,795	$ 4,840	$ 15,962	$ 55,086

Government of the Northwest Territories

Schedule 15

Non-Consolidated Schedule of Guarantees

for the year ended March 31, (thousands of dollars)	2003	2002
Loans payable by the Northwest Territories Housing Corporation to Canada Mortgage and Housing Corporation and Canada	$ 27,225	$ 27,754
Sinking fund debentures issued by the Northwest Territories Power Corporation		
a) maturing March 9, 2009	20,000	20,000
b) maturing June 6, 2011	15,000	15,000
c) maturing May 28, 2012	20,000	20,000
d) maturing October 27, 2018	10,000	10,000
e) maturing February 27, 2026	8,700	8,700
f) maturing December 18, 2032	20,000	-
Debenture series issued by the Northwest Territories Power Corporation		
a) maturing May 1, 2025	7,475	7,563
b) maturing October 1, 2025	7,494	7,582
c) maturing September 1, 2026	8,478	8,576
Loans payable by the Northwest Territories Power Corporation		
a) banker's acceptance	6,000	8,000
b) floating rate capital loan facility	-	20,000
Guarantee of operating lines of credit	17,010	17,820
Guarantee of residential housing loans	8,100	2,615
	$ 175,482	$ 173,610

Non-Consolidated Schedule of Overdue Accountable Advances Related to Previous Fiscal Years

for the year ended March 31, 2003

	Date Issued		
Executive			
Arctic Energy Alliance	February 4, 2002	$	22,500
Aurora College, South Slave Research Centre	January 21, 2002		7,659
Canadian Bar Association, N.W.T. Branch	April 1, 2001		15,000
Inuvialuit Regional Corporation	April 1, 2001		70,000
N.W.T. Treaty 8 Tribal Council	June 30, 2000		10,000
National Round Table on the Environment and Economy	June 14, 2001		20,000
Northwest Territory Metis Nation	January 21, 2001		50,000
			195,159
Municipal and Community Affairs			
Fort Good Hope Metis Local #54 Financial Corporation	September 10, 2001		9,000
Fort Norman Metis Land Corporation	March 13, 2002		3,217
Tulita Dene Band	March 4, 2002		5,220
Yamoga Lands Corporation	March 14, 2002		3,454
			20,891
Justice			
Hamlet of Tuktoyaktuk	April 30, 2001		3,000
Eileen Koe	July 10, 2000		5,242
Ti'oondih Healing Society	May 30, 1999		10,000
Tsiigehtchic Charter Community	May 30, 2001		3,000
Alcantara Outfitting	July 11, 2001		13,504
K'asho Got'ine Charter Community Council, Community Wellness Program	May 30, 2001		23,500
			58,246
Resources, Wildlife and Economic Development			
Natural Resources Canada	January 12, 2001		50,000
Joint Secretariat for the Inuvialuit Renewable Resource Comm.	December 7, 2001		9,580
Joint Secretariat for the Inuvialuit Renewable Resource Comm.	February 15, 2001		35,199
Cece McCauley	March 18, 2002		5,000
			99,779
Total		$	**374,075**

Government of the Northwest Territories

Schedule 17

Non-Consolidated Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2003

Legislative Assembly	
Official Languages Act - NWT Aboriginal Communities Participation	$ 100,000
Official Languages Act - Francophone Participation	50,000
Official Languages	30,208
	180,208
Executive	
Executive Offices	
Secondments	84,075
Institution Building for Northern Russian Indigenous Peoples	72,119
French Languages	4,927
	161,121
Financial Management Board Secretariat	
Equal Pay Litigation	983,673
Secondments	19,341
Comptroller General of Canada Conference	8,700
French Languages	5,854
	1,017,568
Aboriginal Affairs	
Intergovernmental Forum	1,332,403
Devolution Negotiations	497,300
Secondments	412,320
Gwich'in Land Claims Implementation	114,871
Inuvialuit Implementation	101,453
Sahtu Land Claims Implementation	80,981
	2,539,328
	3,718,017
Finance	
Statistics Canada	24,896
French Languages	1,636
	26,532
Municipal and Community Affairs	
Taxed Based Water / Sewer Cost Shared	1,860,000
Community Training Program	230,000
Aboriginal Summit	157,497
Search and Rescue Prevention	46,262
Inuvialuit Final Agreement	24,738
Interprovincial Sport and Recreation Council	20,000
French Languages	12,000
Gwich'in Land Claim	1,874
Sahtu Land Claim	524
	2,352,895

Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2003

Public Works and Services

Aurora College - Inuvik	278,180
Inuvik Regional Hospital	278,219
Aurora College - Fort Smith	423,543
Panda I tenant improvements	217,348
French Languages	95,109
Beaufort / Delta Divisional Board	94,399
Helen Kalvak School Project management service	91,029
Mildred Hall School fuel tank removal	40,000
Ecole Alaine St. Cyr	38,210
Panda I Project management services	17,901
Aurora College - Yellowknife	11,078
Systems and Computer Services - Nunavut Agreement	6,821
Gwich'in Land Claims	1,000
	1,592,837

Health and Social Services

Hospital Insurance and Health and Social Services Administration	7,404,390
Federal Indian Health Policy (portion funded by contract)*	4,525,074
Home and Community Care	3,170,825
Brighter Futures	3,043,073
Co-Payments Non-Insured	1,482,240
Canada Pre-natal Nutrition Program	697,214
Aboriginal Diabetes Initiative	463,049
Primary Health Care Transition Fund	396,976
WestNet Tele-Ophthalmology Projects	270,000
Northern Native Alcohol and Drug Addiction Program	260,949
Official Languages	181,464
Nunavut Services Agreement	173,420
Brighter Futures - Program Management	130,647
NWT National Diabetes Surveillance System	90,151
Tobacco Control Strategy	56,313
Fetal Alcohol Syndrome / Effects	39,648
Aboriginal Languages	29,347
Tobacco Control Program	27,149
Social Services Lead Province Fund	12,916
	22,454,845

* The costs of this federal program exceed funding by $1.6 million for a total of $6.2 million. The unfunded portion of the program's costs are included in the Department of Health and Social Services' operational costs.

Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2003

Justice

Exchange of Services - Nunavut Inmates	1,697,347
Official Languages - French	489,620
Family Law Initiative	140,921
Public Trustee - Estates clerk	77,200
Youth Criminal Justice Act - Training	75,500
Youth Criminal Justice Act - Implementation Contingencies	75,100
Community Constable Program	67,860
Legal Services for NWTHC	50,000
Police Discretion Guidelines	48,057
Youth Criminal Justice Act - Re-integration Planning and Support	47,432
Community Justice Co-ordinator Training Project	40,883
Youth Criminal Justice Act - New Legislation	40,000
NWT Law Foundation Library Project	40,000
Youth Criminal Justice Act - Contingency Planning and Support	38,500
Dogrib Community Government Legislation	34,368
Sahtu Land Claims	31,065
Gwich'in Land Claims	25,683
Victims Assistance Program	25,000
Law Society of the NWT Library Project	20,000
Proceeds of Crime Initiative	16,789
Victims Services - Workshop for Volunteers	16,589
	3,097,914

Education, Culture and Employment

Labour Market Development Agreement	5,116,349
Aboriginal Languages	1,870,653
Secretary of State - French	1,122,000
Income Support	830,925
Translation and interpretation	809,871
Prince of Wales Northern Heritage Centre - gallery upgrade	350,000
University College Entrance Program	276,590
Museums	156,781
Smart Communities	97,822
Interchange Canadian Studies	64,683
Archives database	46,199
Gwich'in Land Claims	45,019
Post Secondary Students - Millennium Scholarship	40,000
Sahtu Land Claims	32,000
Archives Database Integration	20,000
Inuvialuit Skin Clothing Project	19,673
Preservation management	18,000
NWT Virtual Library Project	15,000
Aurora College - Inuvik student residence	13,000
Bern Will Brown Photo Duplication	11,202
Control of Holdings	9,180
Journeys of Nuligak	2,746
	10,967,693

Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2003

Transportation	
Community Aerodrome Radio Services Agreement / Air Navigation Services	3,287,662
Delta Ice Road upgrading	802,704
Coast Guard Minor Works	449,765
National Safety Code	174,506
Alberta road maintenance	60,018
Phase II environmental assessment	28,155
French Languages	20,279
Hay River Corridor maintenance	3,919
Airport rodeo	500
	4,827,508
Resources, Wildlife and Economic Development	
Inuvialuit Land Claim Implementation	3,087,573
Secondments	192,071
Sahtu Land Claims Implementation	165,182
Gwich'in Land Claims Implementation	133,000
Petroleum Data Acquistion	98,000
Web Gateway Development	95,324
Slave Geological Province - research and monitoring	80,000
Sahtu Geographic Information System Project	78,045
Digital satellite	77,510
Wolverine Study	70,721
Geoscience Documents Digital Conversion	62,784
Dall sheep study	32,363
French Languages	31,868
Bison Control Program	26,300
Sahtu Banding Project	25,188
Ecosystem Classificiation System	21,500
NWT Protected Area Strategy Implementation	20,000
Wildlife Health in the Sahtu	16,000
Northern Contaminants Program	11,950
South Slave Trapper activity	9,000
Daring Lake Breeding Bird surveys	5,000
Tree Phenology study	3,000
	4,342,379
Total	**$ 53,560,828**

SECTION IV

FINANCIAL INDICATORS

(Unaudited)

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INTRODUCTION

The Public Accounts of a government report on the fiscal year's revenues and expenses and how they relate to the overall surplus or deficit position of the Government. It is important to note that the financial condition of a government is often quite different from the financial condition of the economy.

A research study conducted by the Canadian Institute of Chartered Accountants states:

The financial health of a government is it's financial health as measured by sustainability, vulnerability and flexibility, looked at in the context of the overall economic and financial environment. These terms are defined as follows:

- *Sustainability: the degree to which a government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.*
- *Flexibility: the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.*
- *Vulnerability: the degree to which government becomes dependent on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.*

The information provided in the following pages is intended to assist readers of the Consolidated Public Accounts in their assessment of the Government's financial health. Information relating to assets or liabilities of the Government is specific to a point in time, whereas information relating to revenues and expenses encompasses the results of a fiscal year.

GROSS DOMESTIC PRODUCT COMPARISONS

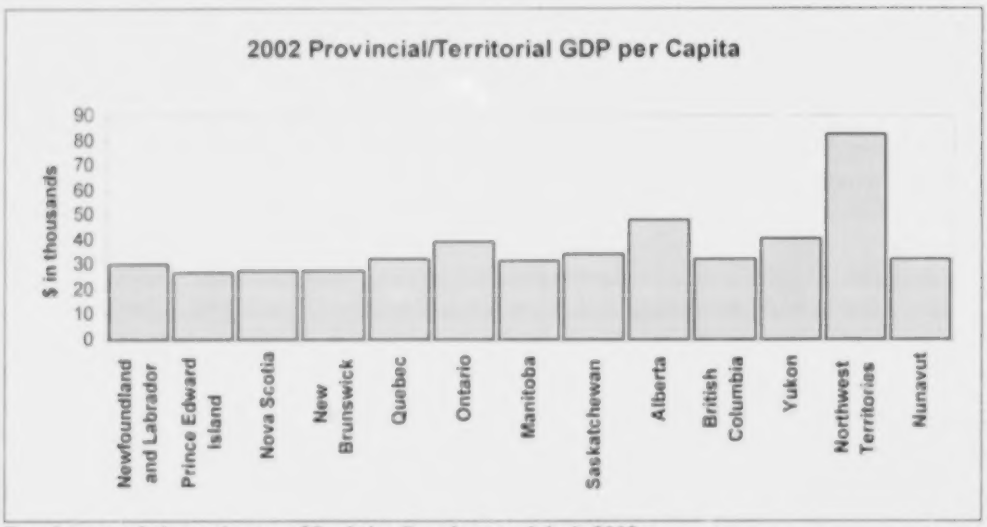
Gross Domestic Product (GDP) represents the total unduplicated value of goods and services produced within the geographical boundaries of a country, province or territory, irrespective of whether the factors of production involved are resident or non-resident. GDP is typically measured in two ways: as total incomes earned in current production (income-based); and, as total final sales of current production (expenditure-based). Both methods yield the same estimate of GDP. Estimates of GDP are typically expressed at market prices, which includes the impact of taxes and subsidies in the estimate.

For the Northwest Territories (NWT), Statistics Canada estimates current dollar GDP at market prices at $3,412 million for 2002; this represents an increase of 6.3% over the 2001 estimate of $3,210 million. A final estimate of 2002 GDP for the NWT, along with the other provinces and territories, is scheduled for release in October 2003; preliminary estimates of 2003 GDP will be release in April 2004.

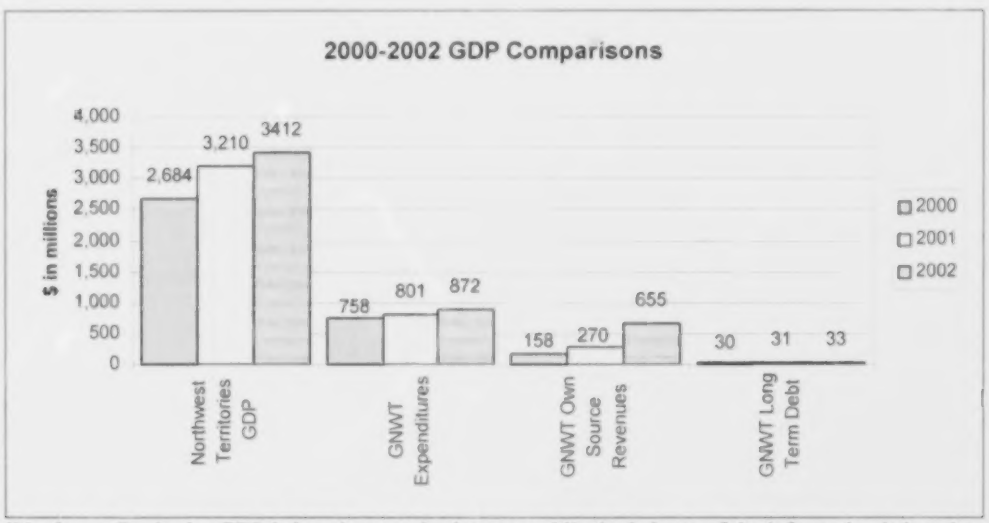
Gross Domestic Product at Market Prices, 2002 and 2001 (calendar year)
Canada, Provinces and Territories
Current Dollars ($millions)

	2002	2001	Percent Change
Canada	1,142,123	1,092,246	4.6
Northwest Territories	3,412	3,210	6.3
Nunavut	935	901	3.8
Yukon	1,211	1,193	1.5
British Columbia	134,365	130,859	2.7
Alberta	150,469	151,319	-0.6
Saskatchewan	34,526	33,305	3.7
Manitoba	36,527	34,707	5.2
Ontario	470,567	443,852	6.0
Quebec	242,914	229,617	5.8
New Brunswick	20,888	20,507	1.9
Nova Scotia	26,193	25,203	3.9
Prince Edward Island	3,767	3,480	8.2
Newfoundland and Labrador	15,982	13,761	16.1

GROSS DOMESTIC PRODUCT COMPARISONS (continued)

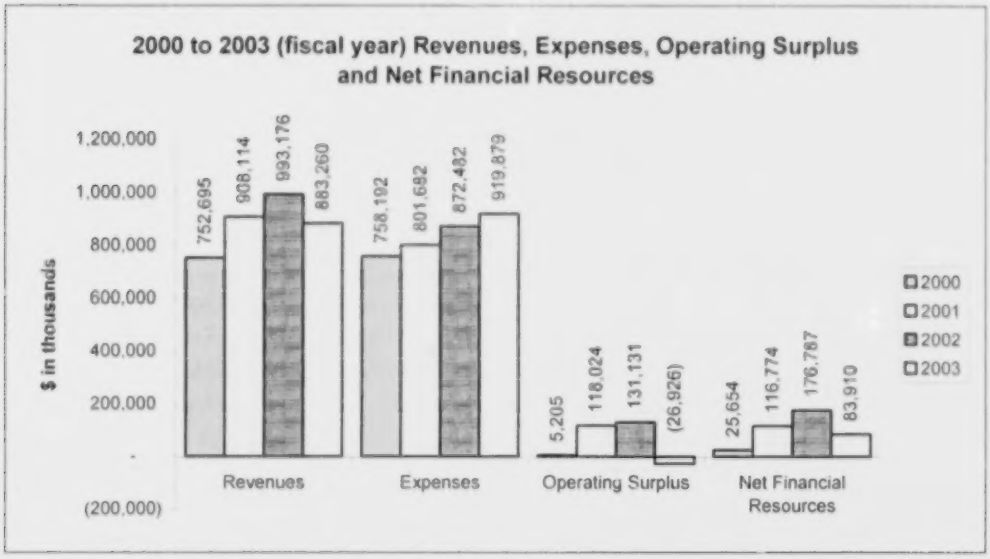


Based on population estimates of Statistics Canada as on July 1, 2002



*Northwest Territories GDP is based on a calendar year, while the balance of the information is based on amounts from March 31 fiscal year-ends.

REVENUE, EXPENSES, SURPLUS AND NET FINANCIAL RESOURCES



* Revenues depicted above exclude both recovery of prior years expenditures and revenue from the Northwest Territories Power Corporation.

The Government currently has positive net financial resources (assets), which as depicted in the following pages, translates into having more financial resources (assets) than outstanding liabilities at the fiscal year end. While the Government's net financial resources have been drawn down by over 50% during the year, as discussed on page 6, some of the factors that contributed to this draw down are of a one-time nature. Net Financial Resources remains an important indicator showing the Government's financial position to be sustainable, at least in the short-term, and allowing the Government some flexibility in adapting to meet future needs.

REVENUE, EXPENSES, SURPLUS AND NET FINANCIAL RESOURCES (continued)

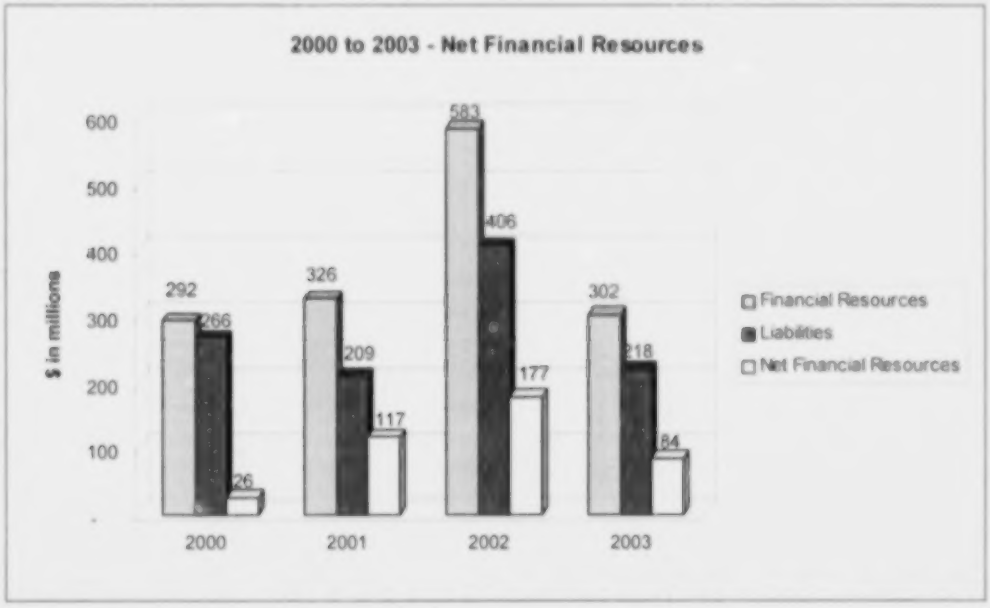
The table below illustrates, both as dollars and as a percentage, the increase in revenue and expenses for the last two fiscal years.

	2000 to 2001		2001 to 2002		2002 to 2003	
	$ Change (in thousands)	Percent Change	$ Change (in thousands)	Percent Change	$ Change (in thousands)	Percent Change
Revenues	155,419	20.6%	85,062	9.4%	(109,916)	(12.5%)
Expenses	43,490	5.7%	70,800	8.8%	47,397	5.4%

While an increase (or decrease) maybe be significant, it is important to relate that change to the rate of change in other components. Examples of things to watch are: (1) expenses increasing at a faster rate than revenues, (2) the drawing down of net financial resources to maintain or improve services or (3) a fluctuation related to a one time event or an event that may not re-occur in the future. Assessing the likelihood of any change in the level of revenues or expenses continuing into the future is an important factor to consider. This information can only be reviewed on a meaningful level when consideration is given to what is the driving factor; inflation, new initiatives or other factors. These changes are important when assessing the long-term sustainability of the present level of services.

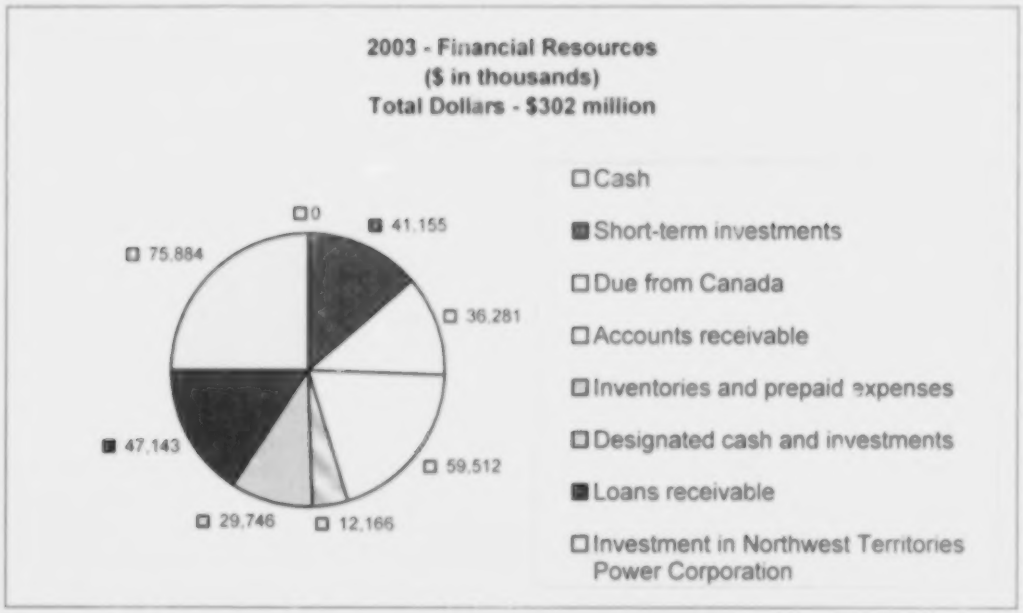
NET FINANCIAL RESOURCES

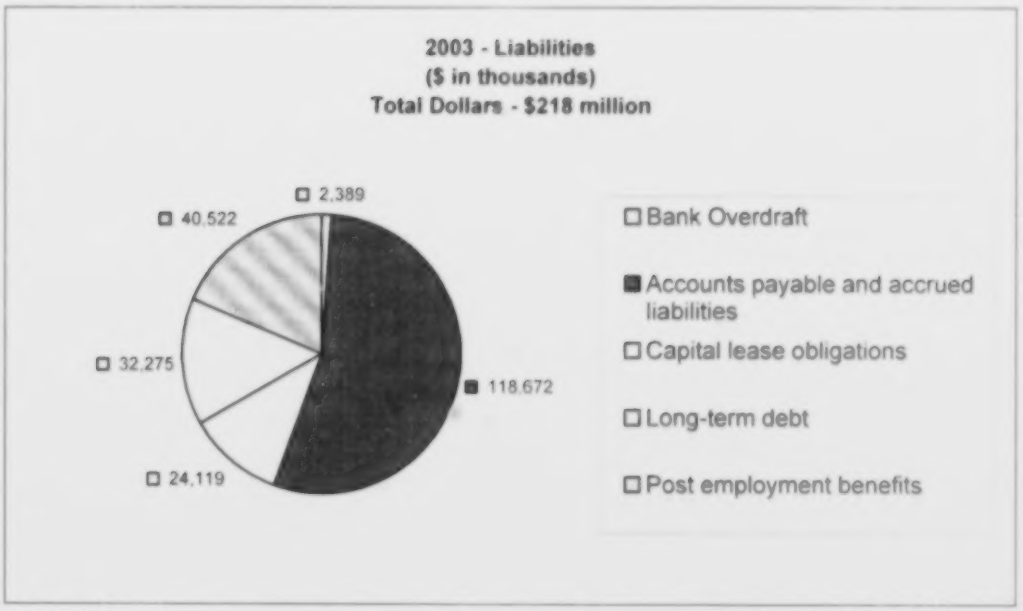
Net financial resources are the residual financial resources (as detailed on the next page) after being reduced by all financial liabilities of the government. The graph below depicts the Government's net financial resource position at the end of the fiscal year.



Net financial resources are a good indicator of a government's ability to meet its existing financial obligations. However a significant change in the level of net financial resources occurred in the current year reducing our net financial resources by over 50%. The main cause of this change is related to unusual events that occurred in 2002 increasing our net resources. An excess of cash on hand due to the prepayment of the Grant by Canada and higher corporate taxes increased our assets in 2002. While our 2002 liabilities were also increased by the requirement to repay funds advanced on the Grant, the net effect was to temporarily increase our net financial resources. In 2003 we saw the reverse effect, as these items did not reoccur. Net financial resources will always be affected by any dramatic changes in revenues or expenses, as can be noted by the change from 2000 to 2001. It is worth noting that the Government of the Northwest Territories is in a net financial resource position while most governments are in a net debt position.

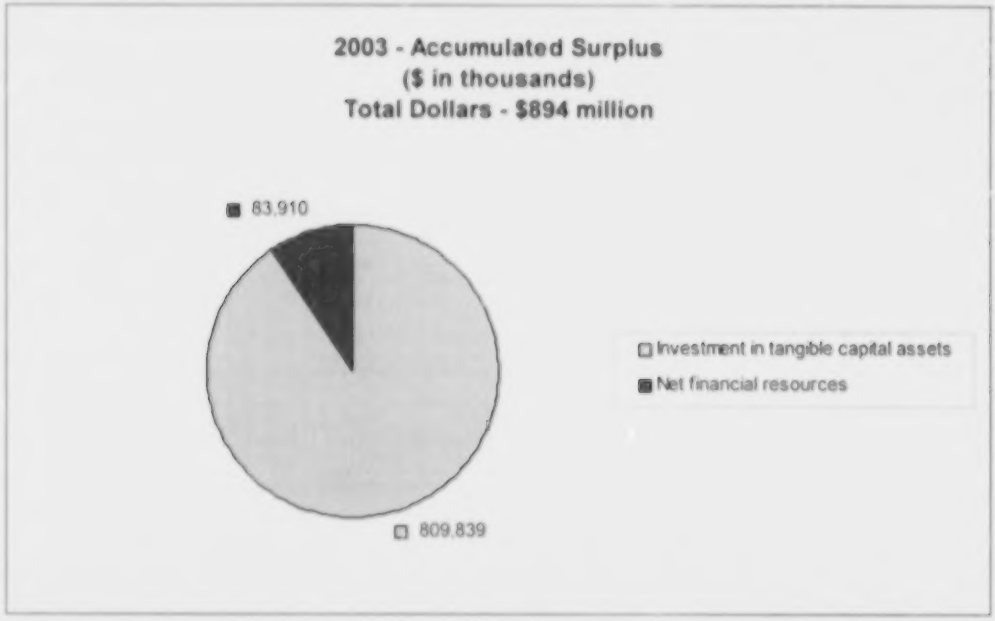
FINANCIAL POSITION





The above graphs illustrate the varied composition of the Government's financial resources and liabilities.

FINANCIAL POSITION (continued)

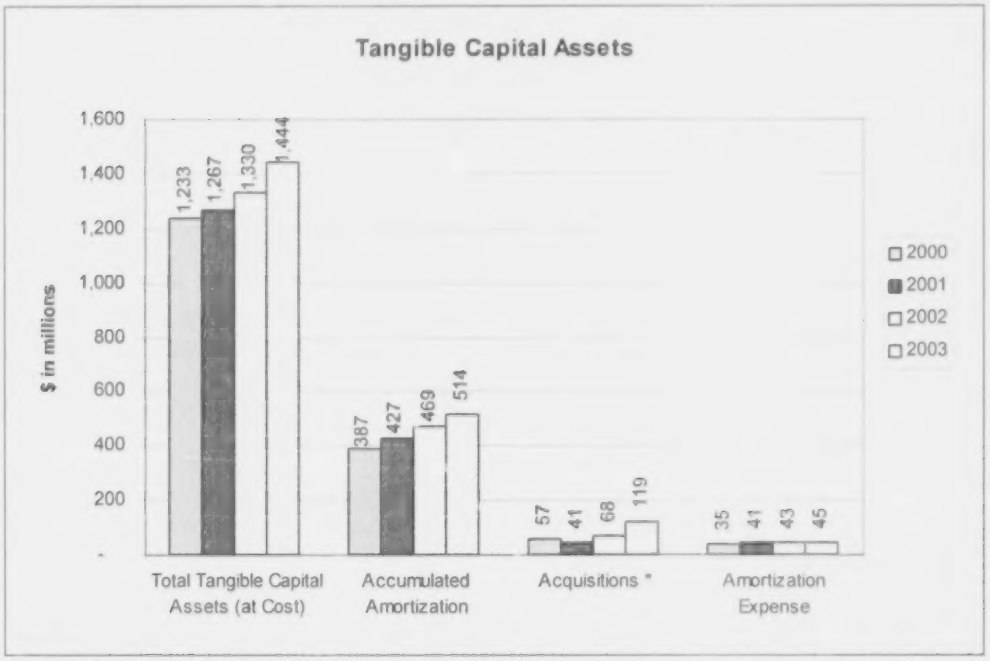


The surplus of the Government is comprised of its net financial resources and its investment in capital assets. When considering the flexibility of a Government to budget for a deficit that portion of the surplus which is associated with tangible capital assets must not be confused with financial assets that are available to meet current and future obligations. Nor should net financial resources be equated to available cash.

TANGIBLE CAPITAL ASSETS

Tangible capital assets include assets purchased directly by the Government and assets that were fully or partially contributed to the Government of the Northwest Territories by Canada or other parties.

In the fiscal year 2000/2001, the Government of the Northwest Territories implemented Tangible Capital Asset accounting. In order to have meaningful comparisons, the fiscal year 1999/2000 was restated to reflect this policy. In previous years all capital purchases were fully expensed in the year the purchase occurred. The existing assets are being expensed as amortization in the financial statements of the Government based on their average useful life.

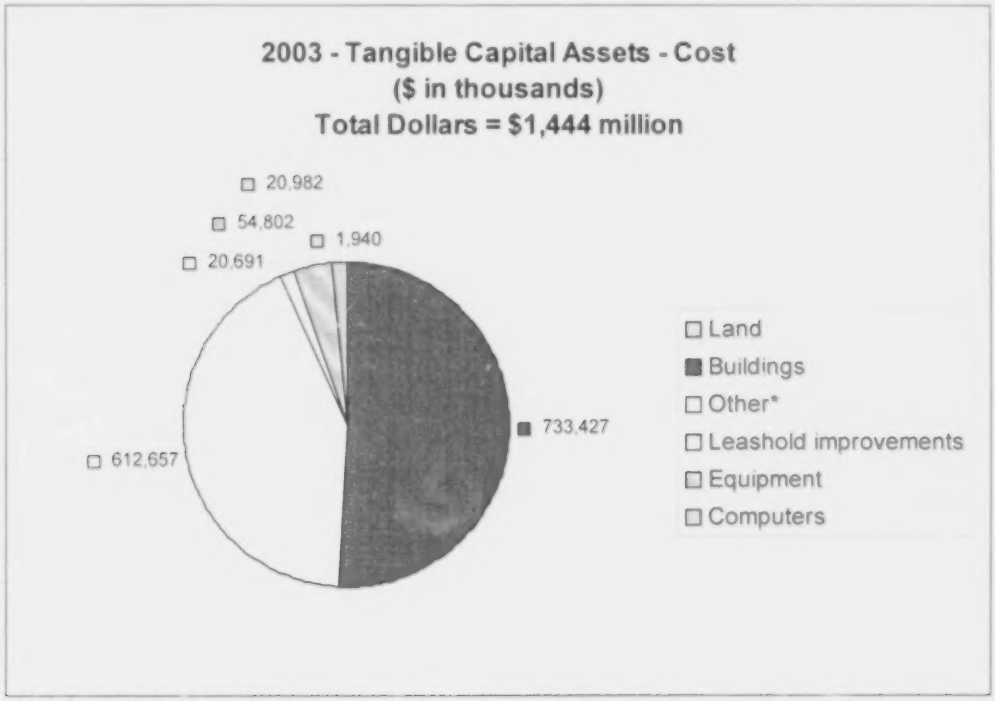


* Acquisitions do not include investments in assets that were not completed as at March 31 of any year. Such assets are recognized when completed and placed into service.

The Government must plan its capital expenditures to ensure that the existing assets are replaced and/or expanded in a timely manner and in conjunction with the Government's direction and priorities.

TANGIBLE CAPITAL ASSETS (continued)

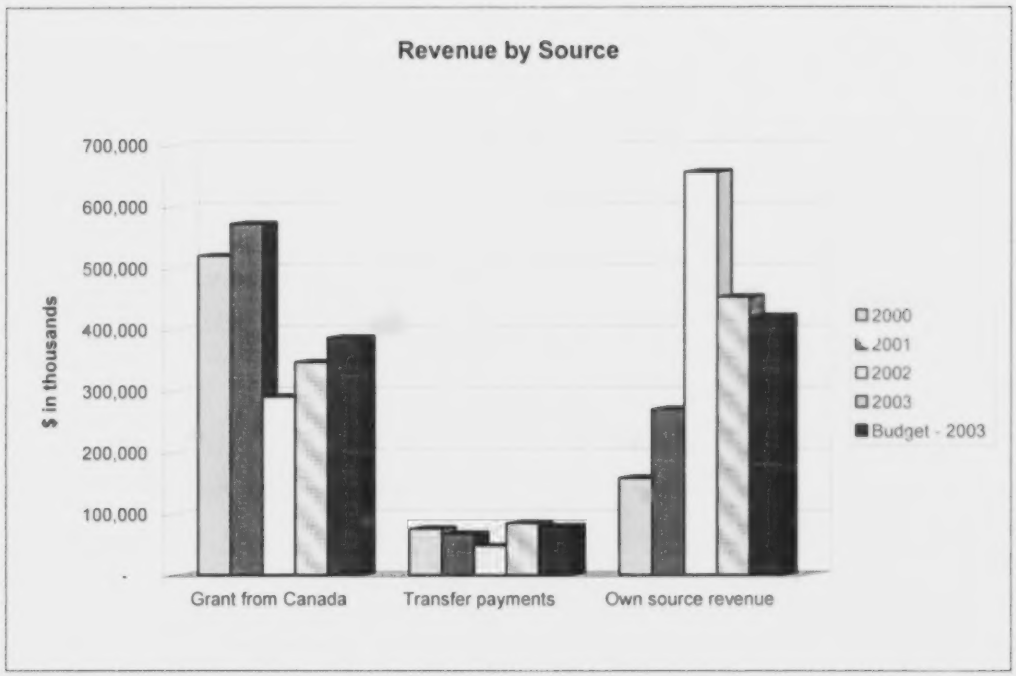
The Government should continue to invest in the replacement of tangible capital assets, at a rate that, over time, approximates the rate at which assets are being consumed. Capital asset investment planning must address two essential points; (1) maintaining existing assets and (2) providing for growth.



*Includes roads, bridges, airstrips, aprons and water/sewer works

The Government of the Northwest Territories is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth.

REVENUE BY SOURCE



In a normal year the Government of the Northwest Territories receives between 60 to 70 percent of its revenues from the Formula Financing Grant from Canada. Major own-source revenues, such as corporate and personal income tax, tobacco tax, fuel taxes, and payroll tax are approximately thirty percent of total revenues. Although the Northwest Territories has a vast reserve of non-renewable resources, it does not currently share in the revenue produced by those resources (royalties, etc). The intended result of upcoming tri-party negotiations, amongst Canada, the Government of Northwest Territories and Northwest Territories Aboriginal Governments, is the devolution and sharing of resource revenues.

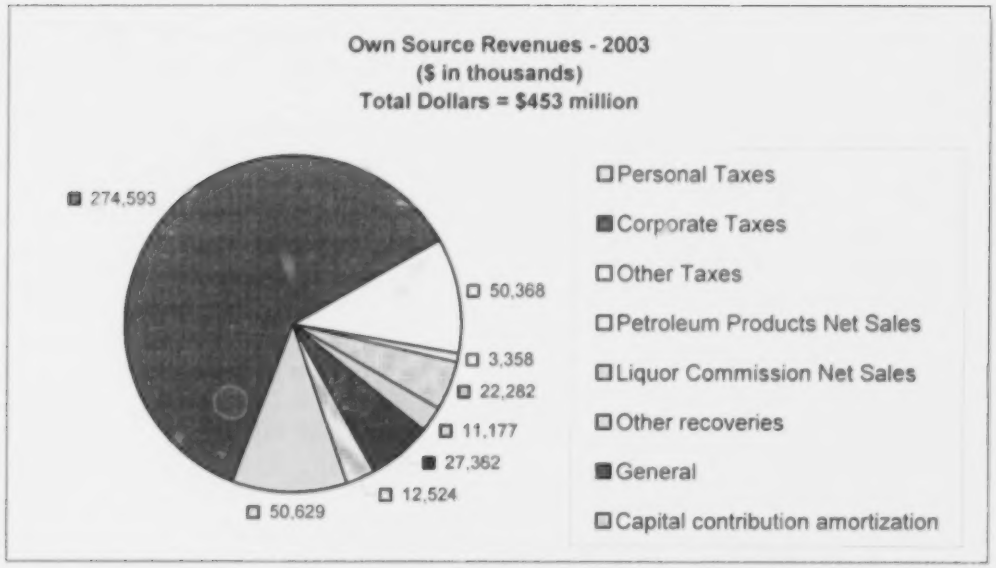
The Grant from Canada is based on a formula designed to cover the difference between expenditure needs and the Government of the Northwest Territories' revenue-raising ability. Therefore, changes to the Government of Northwest Territories' own source revenue levels will change the Grant in the opposite direction. Since the revenue-raising ability measures what the Government could raise at eighty-five percent of national average tax rates in the base year, changes in own source revenue levels will not change the Grant by a corresponding amount.

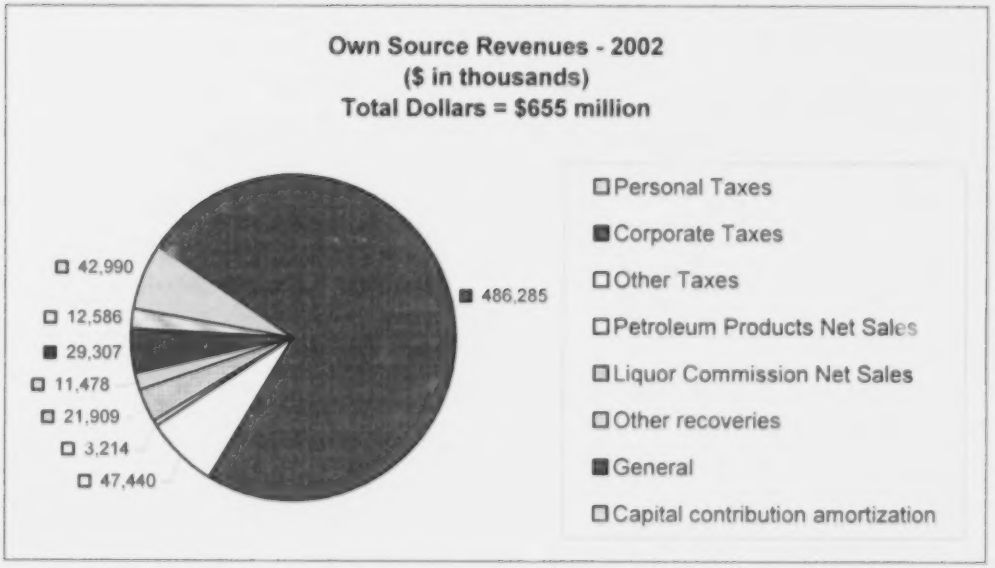
REVENUE BY SOURCE (continued)

The Grant is designed to provide an incentive for the Government of the Northwest Territories to raise revenues. Therefore, an increase in tax rates that provides increased tax revenues will not affect the Grant. For example, if fuel taxes are raised one cent per litre from the base year rate, the fuel tax revenue for purposes of calculating the Grant will still be at the lower rate. Therefore, the Government of the Northwest Territories keeps the additional revenue generated by increasing the tax rate.

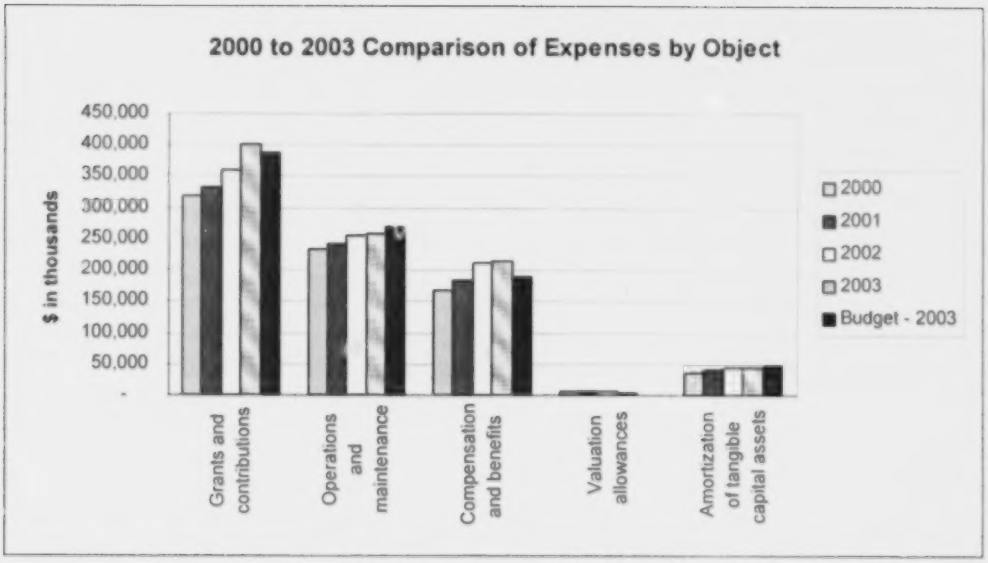
The Grant's expenditure base amount is escalated each year by the growth in provincial/local government spending and the ratio of population growth in NWT to the growth of the Canadian population. The data used to calculate these growth rates are not finalized until three years later for provincial/local government spending and five years later for population data. Therefore, adjustments to the Grant for a fiscal year can occur up to five years later. Since the escalation is cumulative, adjustments for prior years can have significant effects on total revenues. Corporate and personal income taxes estimates also take three years to finalize and require adjustments to the Grant.

REVENUE BY SOURCE (continued)





EXPENSES BY OBJECT

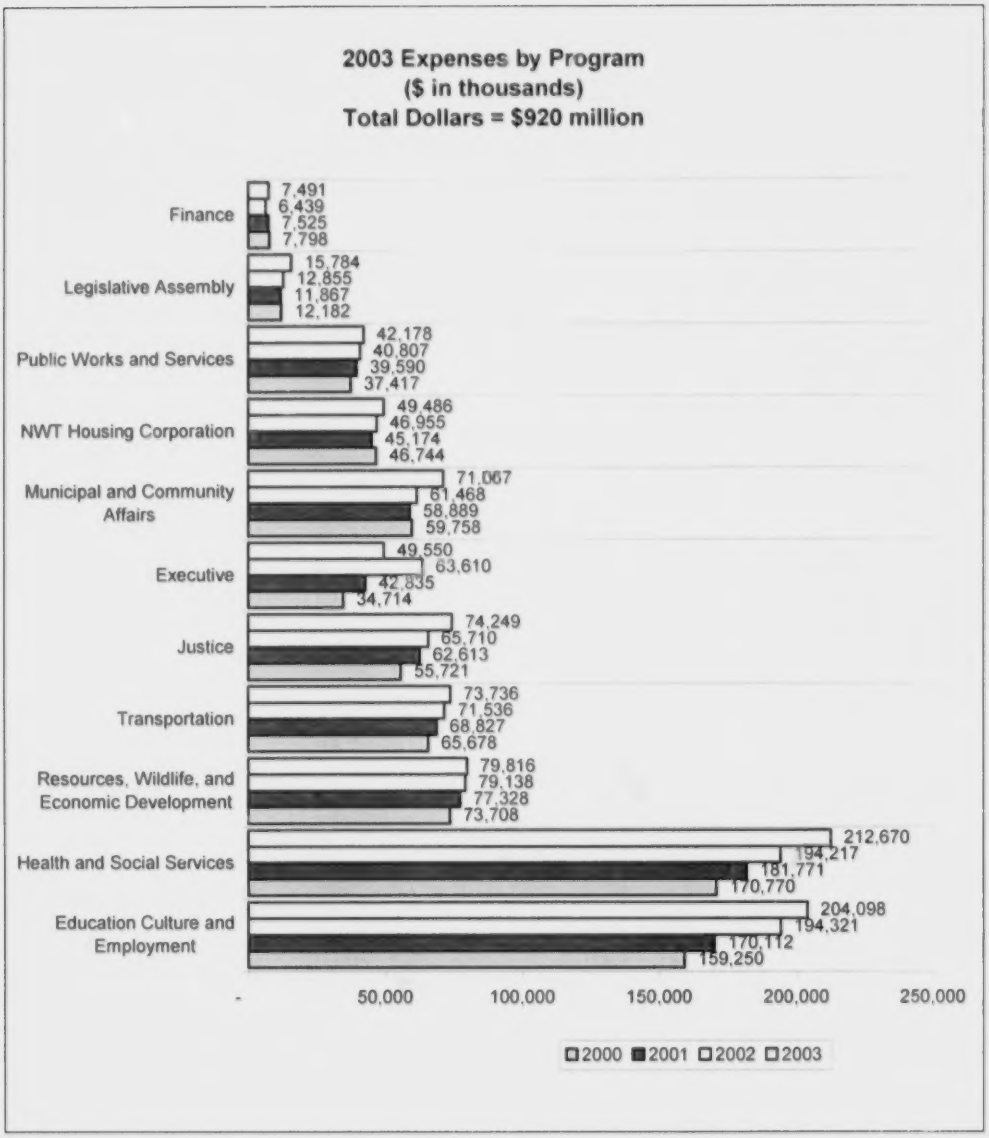


The expenses of the Government are such that a large percentage of its costs are fixed. Grants and contributions to third parties also have many components that are fixed and as the major (or sole) provider of funds, the Government cannot vary the funding without affecting the level of output by these boards and agencies. Approximately 43.5% (2002 – 41.3%) of the Government's total expenditures for 2002/2003 were for Grants and Contributions. Many of our social and educational programs are funded by these contributions.

Additional types of fixed costs are long-term, such as lease and other commitments as disclosed in the note 17 to the Consolidated Public Accounts. Department's operational expenses do not include principal payments on long-term debt (including capital leases).

The Government is also vulnerable to inflation as it is an important factor when negotiating compensation and benefits. Not only are the direct wages of the Government (approximately 23.3% (2002 – 24.1%) of the government's total expenditures) vulnerable to this but wages also make up a significant portion of the grants and contributions given to third parties.

EXPENSES BY PROGRAM

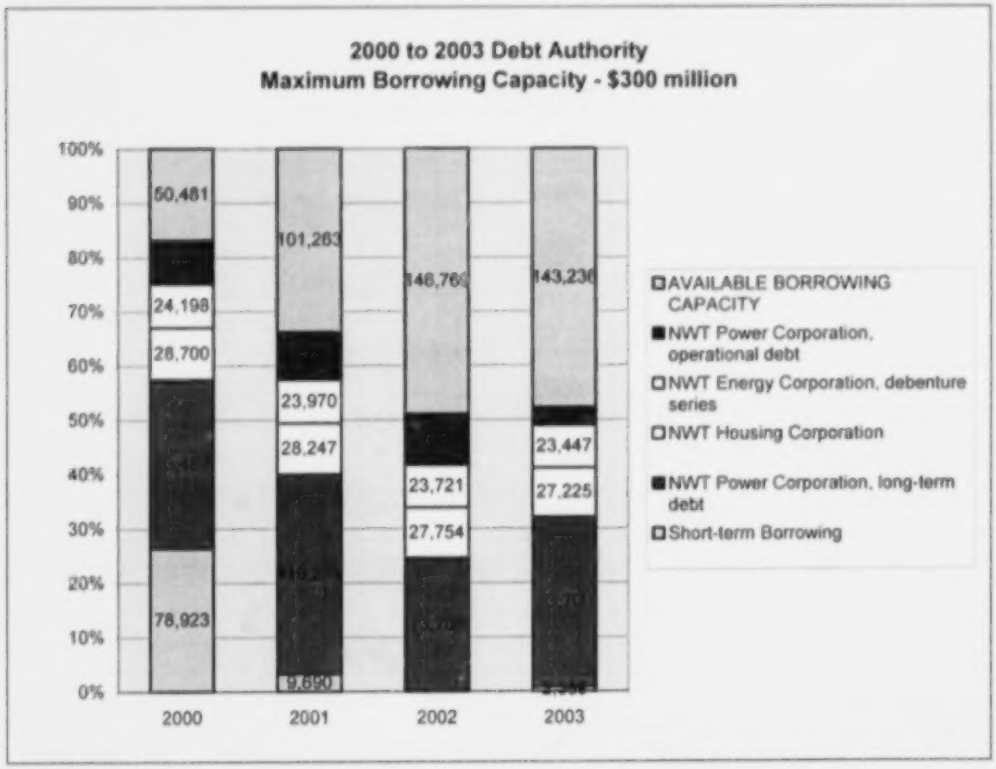


In the 2002-2003 fiscal year, the Government spent 60% (unchanged from 2002) of its total budget on social programs (education, health, justice and housing). Most of the remaining budget is allocated to infrastructure, natural resources and economic development. Any additional resources to improve a service often have to be made at the expense of other important needs. Balancing a budget entails not only controlling expenses but also finding the most effective and efficient mix of programs.

LONG-TERM DEBT BORROWING CAPACITY

Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, has approved Government borrowing up to $300 million. This includes all debt of the various Government entities' that are consolidated. These entities include the Northwest Territories Housing Corporation and the Northwest Territories Power Corporation. If future monetary requirements should require borrowing in excess of the approved amount a review of the Government's overall borrowing capacity with Canada would be required.

The borrowings of the Northwest Territories Power Corporation (NTPC) and the Northwest Territories Energy Corporation are serviced through revenues generated by the NTPC and Northwest Territories Energy Corporation and, as such, do not require the Government fund the related interest expense or principal repayment.



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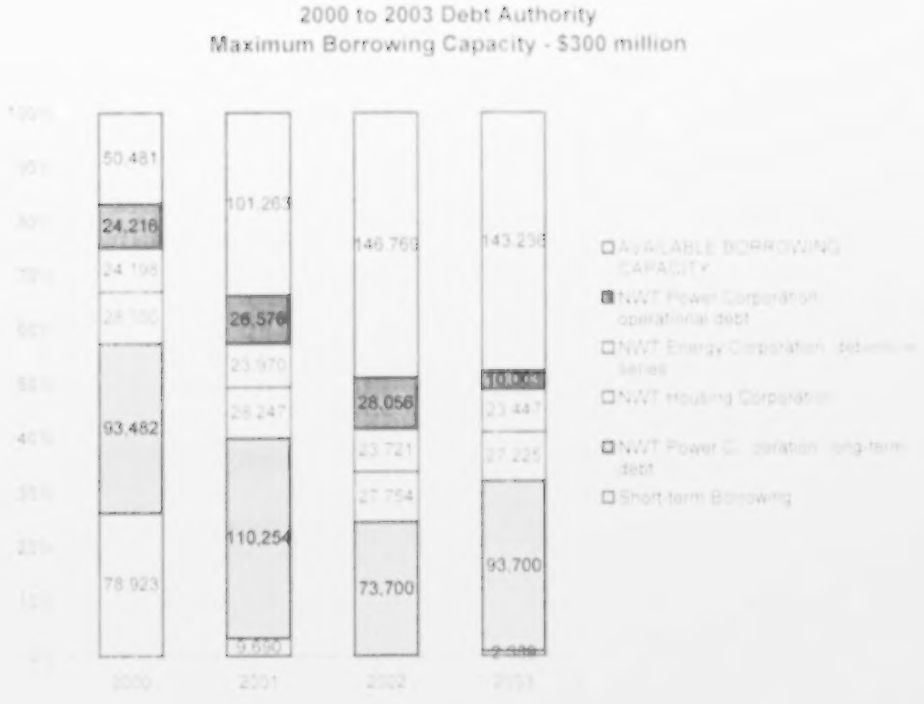
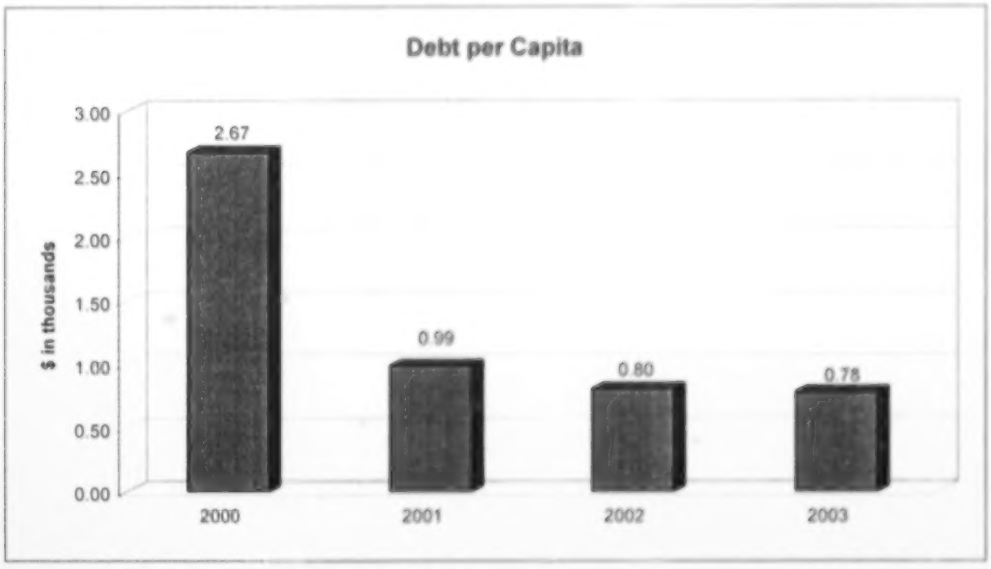
Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, has approved Government borrowing up to $300 million. This includes all debt of the various Government entities that are consolidated. These entities include the Northwest Territories Housing Corporation and the Northwest Territories Power Corporation. If future monetary requirements should require borrowing in excess of the approved amount a review of the Government's overall borrowing capacity with Canada would be required.

The borrowings of the Northwest Territories Power Corporation (NTPC) and the Northwest Territories Energy Corporation are serviced through revenues generated by the NTPC and Northwest Territories Energy Corporation and, as such, do not require the Government fund the related interest expense or principal repayment.



DEBT PER CAPITA

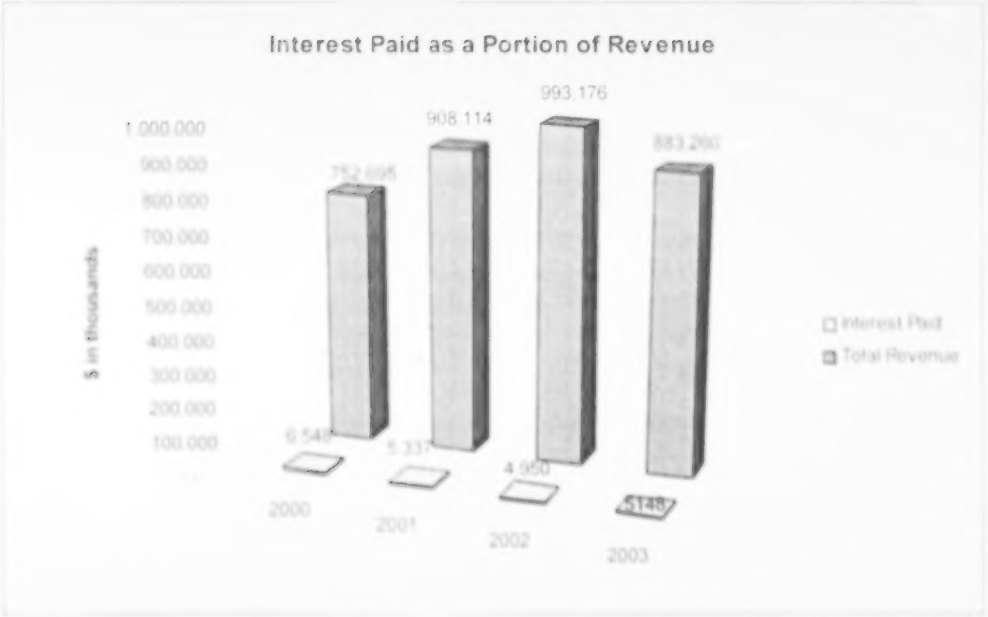
The following chart depicts the debt per capita with respect to the entire debt load that the Government of the Northwest Territories is directly responsible for. This debt is defined as short and long-term borrowing. At March 31, 2003 the long-term debt was $32 million, with no short-term borrowings.



Based on Statistics Canada population as at July 1, 2002

INTEREST

The Government of the Northwest Territories is in the enviable position of having less than 1% of its total revenues expended to service its debt load.



The Government of the Northwest Territories is in the enviable position of having less than 1% of its total revenues expended to service its debt load.

CONCLUSION

As described in the Introduction, the CICA has suggested that a government's financial health should be measured in terms of sustainability, flexibility and vulnerability. The preceding measures have attempted to illustrate how the Government of the Northwest Territories' fiscal health measures up from this standpoint. The following conclusions are suggested:

Sustainability – at the end of the 2002-2003 fiscal year the Government of the Northwest Territories enjoyed a surplus of financial assets over financial liabilities of $84 million. These net financial resources were equal to about 9.1% of the year's expenses, or 4.7 weeks of operations. The Government's long-term debt was $32 million or 3.6% of the Government revenues for that year and less than 1% of the Northwest Territories Gross Domestic Product. These measures suggest that the Government of the Northwest Territories can maintain current programs without increasing the debt burden on the economy, at least for the short-term.

Flexibility – this pertains to the Government's ability to increase its financial resources. The Government of the Northwest Territories raised 51% of its 2002-2003 revenues (65% in 2001-2002) from its own sources. While at first glance it may appear that our revenue sources have deteriorated, closer inspection shows a sharp decrease in corporate income tax as the major cause, all other sources remain fairly constant. This was due to a the 2002 tax filing by large corporations, with large one time capital gains, wishing to take advantage of favourable corporate income tax rates. The balance of revenues came largely through the formula financing agreement with the federal government. The Government does not have access to resource royalty revenues as the federal government continues to control all Northwest Territories subsurface resources. The Government of the Northwest Territories has a federally imposed limit on its borrowing of $300 million, and although it is currently under its limit, $300 million represents only 33% of 2001-02 expenses or 17 weeks of operations. The Government of the Northwest Territories' flexibility is severely constrained by these factors.

Vulnerability – this is a measure of how dependent a government is on sources of funding outside its control or influence. To assess the Government of the Northwest Territories vulnerability it is not necessary to look further than the Government's limited own source revenues, their volatility related to corporate income tax and their effect on the Formula Financing Agreement. This agreement is renewed every five years at which time it is subject to negotiated or federally imposed changes. The current agreement expires March 31, 2004.

In summary, the Government of the Northwest Territories is financially healthy at this point in time but it has limited flexibility to raise new revenues or incur debt and it is very vulnerable to federal changes to its future revenues.

ADDITIONAL SOURCES OF INFORMATION

The Government of the Northwest Territories produces several other documents and web sites that may be referenced for additional information.

Sources include:

- Government of the Northwest Territories Web Site at www.gov.nt.ca
- Government of the Northwest Territories Public Accounts
  - Section I – Consolidated Financial Statements
  - Section II – Non-Consolidated Financial Statements
  - Section III - Supplementary Financial Statements
- Government of the Northwest Territories Main Estimates
- Business Plans
- Geographic Tracking Report
- Results Report